



1988 ANNUAL REPORT · A.C. NIELSEN COMPANY



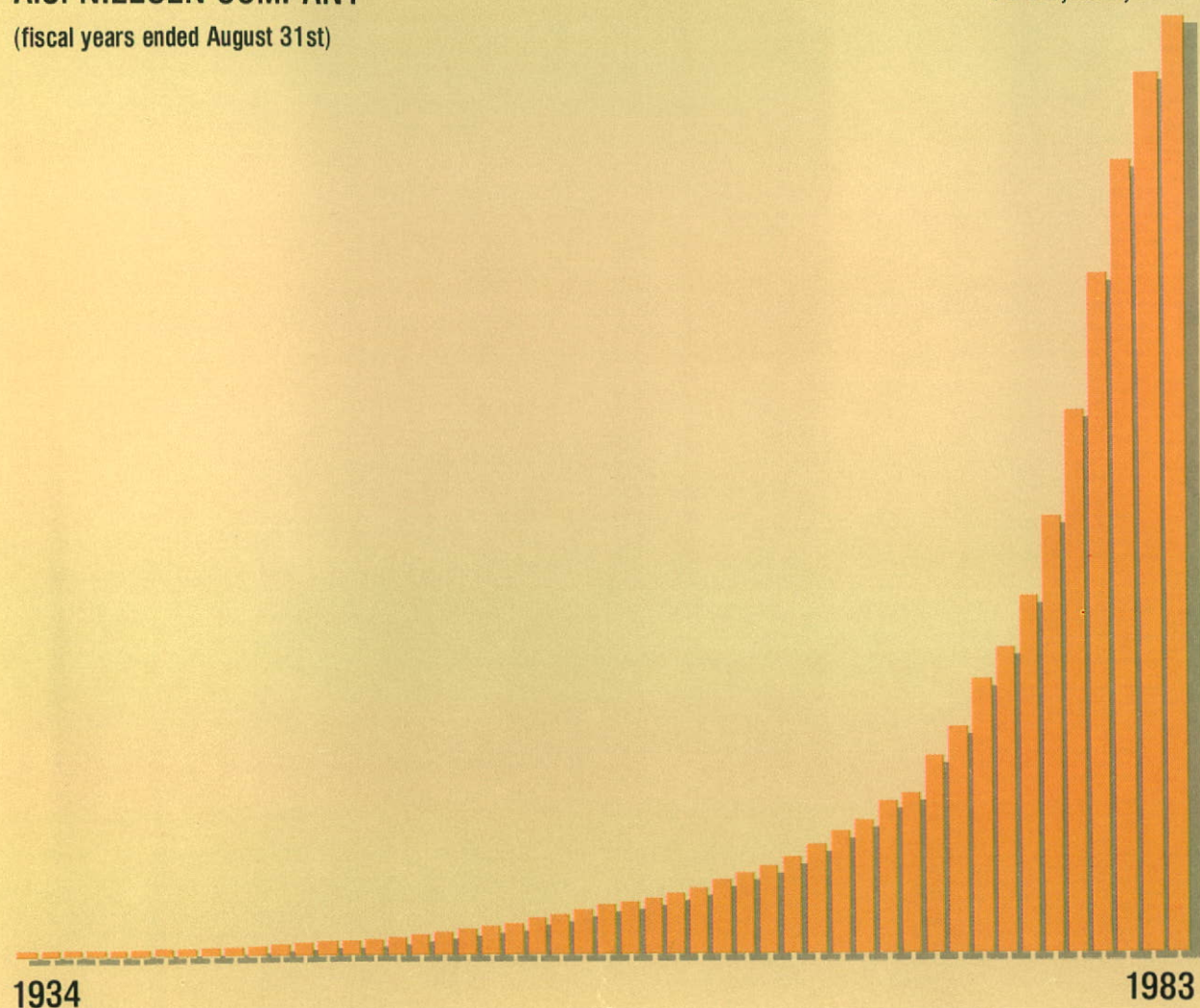


## Consolidated Sales of Services

### A.C. NIELSEN COMPANY

(fiscal years ended August 31st)

\$680,262,000



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## Board of Directors



Seated, l. to r.; **Jack A. Wennerstrom**, V.P., Treasurer; **N. Eugene Harden**, President; **Arthur C. Nielsen, Jr.**, Chairman; **Kurt J. Burghardt**, Exec. V.P., President, Neodata Services Group.

Standing, l. to r.; **William C. Goodin**, Chairman, Petroleum Information Corporation; **John M. Regan, Jr.**, Chairman, Marsh & McLennan Co.; **Robert L. Foote**, Counsel, Sidley & Austin; **James D. Lyons**, Exec. V.P., President, Media Research Group; **William N. Fleischman**, Administrative V.P.; **Robert B. Moran**, Exec. V.P., President, Clearing House Group; **Donald R. McCurry**, Exec. V.P., Exec. Dir., Area VI (U.S.A.) Marketing Research Group; **Philip R. Nielsen**, V.P., Corp. Planning and Development; **Henry Burk**, Exec. V.P., President, Marketing Research Group.

Not Shown: **David G. Jorgensen**, Chairman, Dataquest Inc.; **Walter Speidel**, Vice Chairman, Joint Managing Director, ACN, West Germany; Exec. Dir., Area I, Marketing Research Group.

## Letter To Stockholders

Once again, we are happy to be able to report that your Company achieved record sales and profits. Sales were \$680,262,000, a gain of 5.7% over last year's previous record.

Profits were \$49,449,000, up 11.9%. We are particularly pleased to be able to report these favorable results when so many fine companies suffered declines. Profits for the Fortune 500, for example, declined 27.1% in 1982.

Your Company sales have grown every year, without exception, for the past fifty years. This record suggests the ever growing recognition of the need by the business community for reliable information to guide management decisions in an increasingly complex society.

This continued growth of your Company has permitted us to increase dividends every year since the Company became a public corporation twenty-four years ago. Dividends were raised this year from \$0.54 to \$0.65 per share, or some 20.4%.

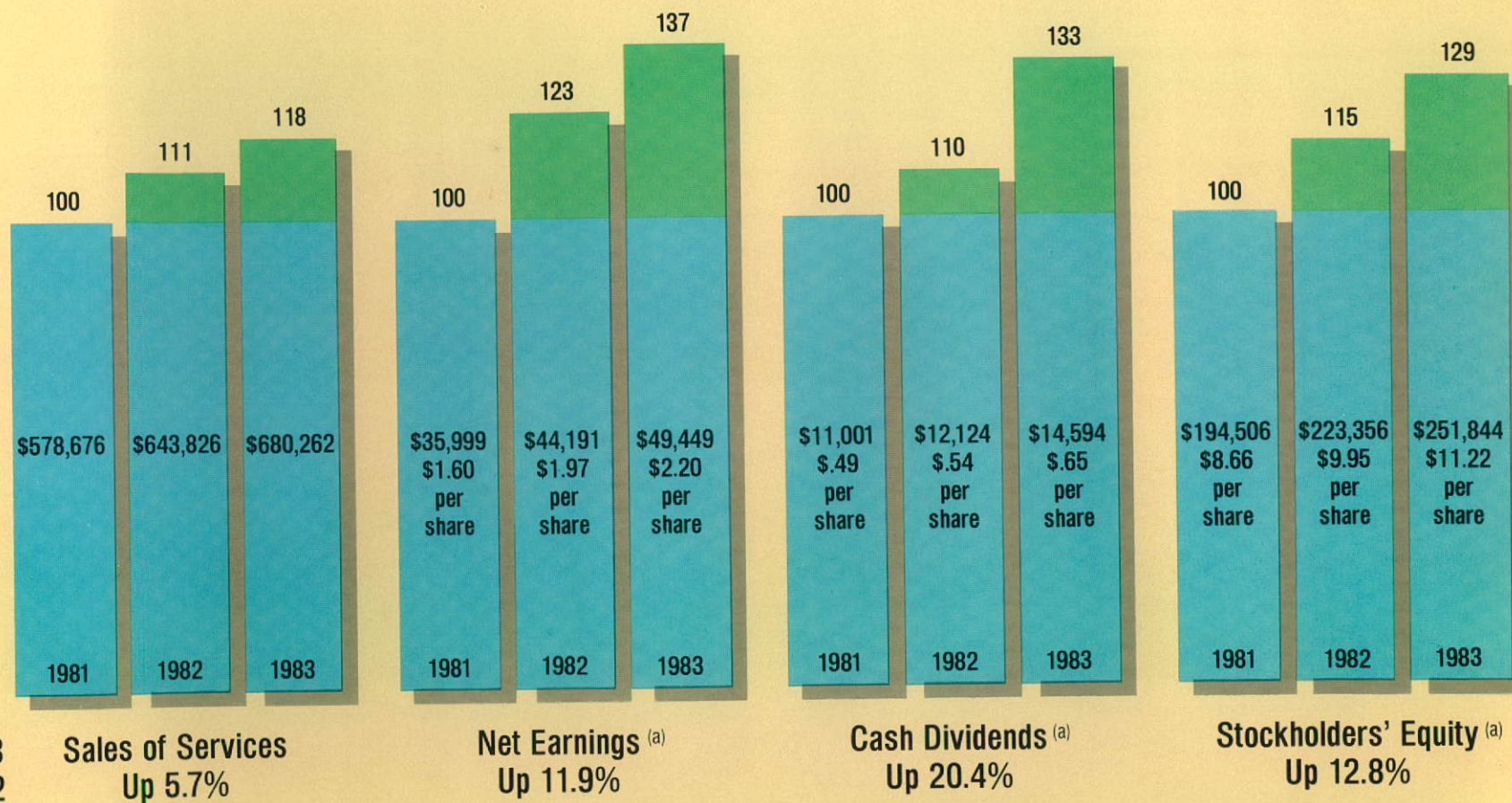
In order to assure our future growth, we continued to invest substantial sums in Research & Development. These efforts over the years have led to the development of 125 different services, of which our TV ratings are best known, but account for only 11.7% of our revenue. This last year, we added twenty-one new services and discontinued six — the latter having proven to be disappointing and unrewarding.

At the same time, we have continued our efforts to extend our more promising services into more countries. This combination, of more new services extended to more countries, has increased the number of sources of our income from 203 in 1976 to 532 this year. We have been guided in this activity by many of our valued clients who, having found our services useful in one or more countries, have both encouraged and assisted us in launching them in additional



## Operating Highlights

(\$000)



Number of Employees

1982 — 21,389 <sup>(b)</sup>

1983 — 21,692 <sup>(b)</sup>

Up 1.4%

(a) Based on 22,452,092 common shares outstanding at August 31, 1983. Per share amounts for 1981 and 1982 have been restated to reflect the two-for-one stock split paid through a stock distribution in February 1983.

(b) Equivalent full-time basis as of end of fiscal year.



## Letter to Stockholders (continued)

*Your Company's Chairman and Chief Executive Officer, Mr. Arthur C. Nielsen, Jr., recently announced plans to retire on September 1, 1984, following his sixty-fifth birthday. Certain management changes were announced simultaneously which reflect the care taken to provide for an orderly transition.*

*Henry Burk will succeed Mr. Nielsen as Chairman and Chief Executive Officer on May 1, 1984. Mr. Burk presently serves as President of the Marketing Research Group, the Company's major activity.*

*Mr. Richard Vipond, presently in charge of the Marketing Research Group's activities in Canada, Japan, Australia, New Zealand and South Korea, will succeed Mr. Burk as President of the Marketing Research Group.*

*Mr. N. Eugene Harden will continue to serve as President and Chief Operating Officer.*

*Mr. Nielsen will remain a Director and will continue to provide services to the Company as Chairman of its Executive and Compensation Committees, as well as of a newly-formed Long Range Development Committee.*

countries. For this we are, indeed, grateful.

In order to merit the continued support of our clients, we have made strenuous efforts to improve our methods and contain costs. To this end, we reinvested this year \$58,600,000 in capital improvements. The magnitude of these investments is suggested by the fact that they exceeded our profits by more than \$9,000,000. By acquiring the very latest and most efficient plant and equipment, we should be able to deliver the highest quality work at the lowest possible cost and so help insulate our Company from competitive inroads in the future.

More specifically, we invested \$34,900,000 in improvements in our equipment, furnishings, computers and other machines, in an effort to not only increase productivity, but speed the collection, analysis and dissemination of information to clients as well.

An additional \$23,700,000 was invested in new buildings, land and leasehold improvements. These investments were made because we have learned that our work can best be done in buildings specially designed for our particular requirements. By way of example, our buildings are designed in such a way that we can link together data entry devices, remote access personal computers, high speed printers and data transmission equipment with our central computers through easily accessed cables strung through floors, ceilings and walls — in essence, the office of the future. Special power-generating and electrical gear has also been built into our buildings. This equipment enables us to operate these computers efficiently on a twenty-four-hour-a-day basis, protected from power outages and surges, which might otherwise adversely affect results.

Looking to the future, we see many new opportunities as a consequence of technological change. These include:

- **SCANNERS:** In the United States, there are now more than 7,000 grocery stores equipped with electronic cash registers, which record the sales and prices of individual items by scanning a zebra-type bar code printed on each package. Over 30% of all U.S. grocery sales are now made in stores with this type of equipment. The significance to us of this development is that we are able to obtain individual brand sales and price data from many of these stores which can then be organized for resale to manufacturers of these products. The use of scanners should enable us to obtain these data more frequently, faster and at lower cost than by our present methods.

By working with stores equipped with scanners, it is possible to determine the purchases of individual families. Manufacturers need such information in order to design their advertising and select the best media to reach their prospects.

In short, data obtained by this new method should prove useful in better determining what consumers wish to buy and how to sell to them.

- **CABLE:** Over 40% of U.S. households are now equipped with cable, which can provide a wide range of TV programs, as well as other services. The increase in number of programs offered, together with a larger number of cable operators, has expanded the potential size of our business in two ways. First, we have more people to sell to and, second, the job of measuring program audiences has become more difficult. We have been working with our clients to assure the accuracy levels of reports by increasing our sample sizes. In addition, we are upgrading the quality of these reports in certain



## A.C. Nielsen Company compared to the FORTUNE 500

While FORTUNE magazine limits its list of 500 companies to those engaged in manufacturing, note how your Company compares with this much-publicized group.

|                                       | RANK |      |
|---------------------------------------|------|------|
|                                       | 1982 | 1983 |
| SALES                                 | 433  | 377  |
| ASSETS                                | 423  | 353  |
| NET INCOME                            | 323  | 224  |
| INCOME AS A % OF SALES                | 130  | 81   |
| INCOME AS A % OF STOCKHOLDERS' EQUITY | 99   | 51   |

cities by substituting audience size estimates obtained by electronic meters. The present method relies upon individuals to record their TV viewing in diaries.

- ☐ **DEREGULATION OF COMMUNICATIONS INDUSTRY:** The deregulation of the communication industry by the government has permitted competition in a wide variety of telephone and related products. To capitalize on this new development, we have built twenty specialized data bases which represent all present and planned commercial communication facilities in the United States, Canada and Mexico. One of the first applications for this data base is to facilitate the construction of cellular telephone systems, which will soon make it possible for millions of people to have the convenience of a telephone in their cars at a reasonable cost.

These and other opportunities will require substantial investments on our part. While it will be difficult to forecast the extent of these investments as well as their timing, we are confident that the opportunities presented will further strengthen our business and help achieve the continued growth we seek.

In this, our 50th year of growth, we wish to

thank each of our 21,692 employees, whose dedicated efforts over the years have achieved these commendable results.

While the U.S. seems to be emerging from the most severe depression since the 1930's, Europe continues to struggle and other parts of the world in which we operate, notably South America, have real difficulties yet to be overcome. We pledge our best efforts to help our clients maximize their opportunities in this challenging time, and hope, in turn, to merit their continued support, as well as that of our shareholders who have shown confidence in us.

*A. C. Nielsen, Jr.*

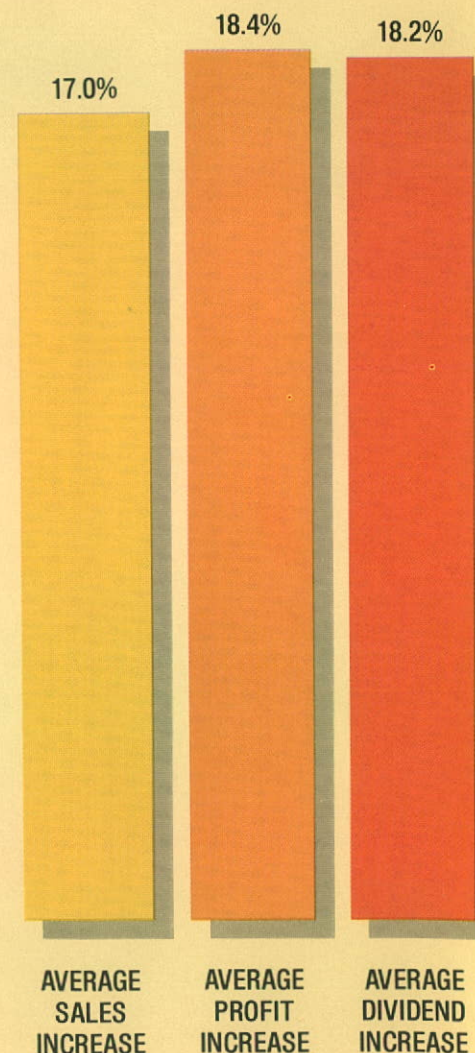
A.C. Nielsen, Jr.  
Chairman

*N. E. Harden*

N.E. Harden  
President

## 10-Year Growth — Sales vs. Profits vs. Dividends

For the past 10 years, sales have increased at a yearly average of 17.0 percent. This compares with profit increases averaging 18.4 percent, and dividend increases, 18.2 percent.





## Forces Affecting Our Growth

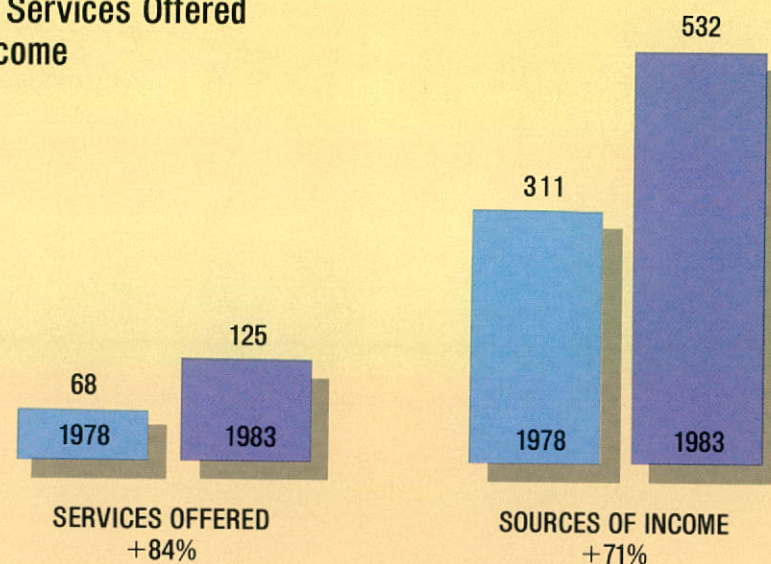
Those who follow the financial progress of your Company invariably seem to consider its record of growth to be most unusual to say the least: an uninterrupted 50-year growth span which has persisted despite wars, inflation, recession, and all of the other types of disruptions to which the economies of nations are heir.

We believe this favorable result is caused by many basic factors, the more important of which are:

**The stability and growth of the industries we serve.** A very high percentage of our clients produces either foods, drugs, petroleum products or television entertainment; products which fairly can be classed as indispensable. In depressed times, one does not stop eating or abandon health care, although many other types of purchases can be, and often are, postponed. Our clients are well aware of the fact, confirmed consistently by our own research, that commercial television is a major force in ensuring efficient movement of consumer goods. As for petroleum, while mankind now searches diligently for alternate sources of energy, it is clear that there will be a strong demand for oil and gas for years to come. The continuous search for oil and gas will assure a strong market for Nielsen information supplied to this industry.

**The importance of the information we provide.** The entire process of marketing consumer goods has become exceedingly complex, involving many variables and intangibles. Thus, large numbers of techniques and combinations of techniques can be used to sell and distribute these products. Selecting the most appropriate and profitable techniques for a given product requires accurate information available from comprehensive, reliable business services of the types we provide. (See pages 18 and 19 for brief descriptions.)

## Growth in Nielsen Services Offered and Sources of Income



In times of inflation, business conditions tend to be unstable, increasing the need for reliable marketing information as a type of insurance which can protect corporate assets and earnings. Prudent modern business management does not eliminate its insurance in times when it can least afford a loss.

**The complexity of our services.** This characteristic, a common denominator of virtually all Nielsen services from the beginning, is not an end in itself, but rather is a by-product of services which are unusually comprehensive and far-reaching in scope. In general, and this applies especially to our diversification in recent years, we do not find attractive the production of services which are either superficial in nature or which can be easily duplicated by others. As a result, we generally are able to establish long, continuous and very close working relationships with our clients under circumstances in which our carefully guarded reputation for integrity and dependability plays a most significant role.

**Services which can be syndicated.** One could conclude that services of the type described above entail very high costs to clients, but the fact is that almost all Nielsen services are

syndicable; that is, saleable to sometimes hundreds of clients. Thus, clients in effect share the costs of these comprehensive services to the point where the cost to each client is generally nominal in relation to his total revenue.

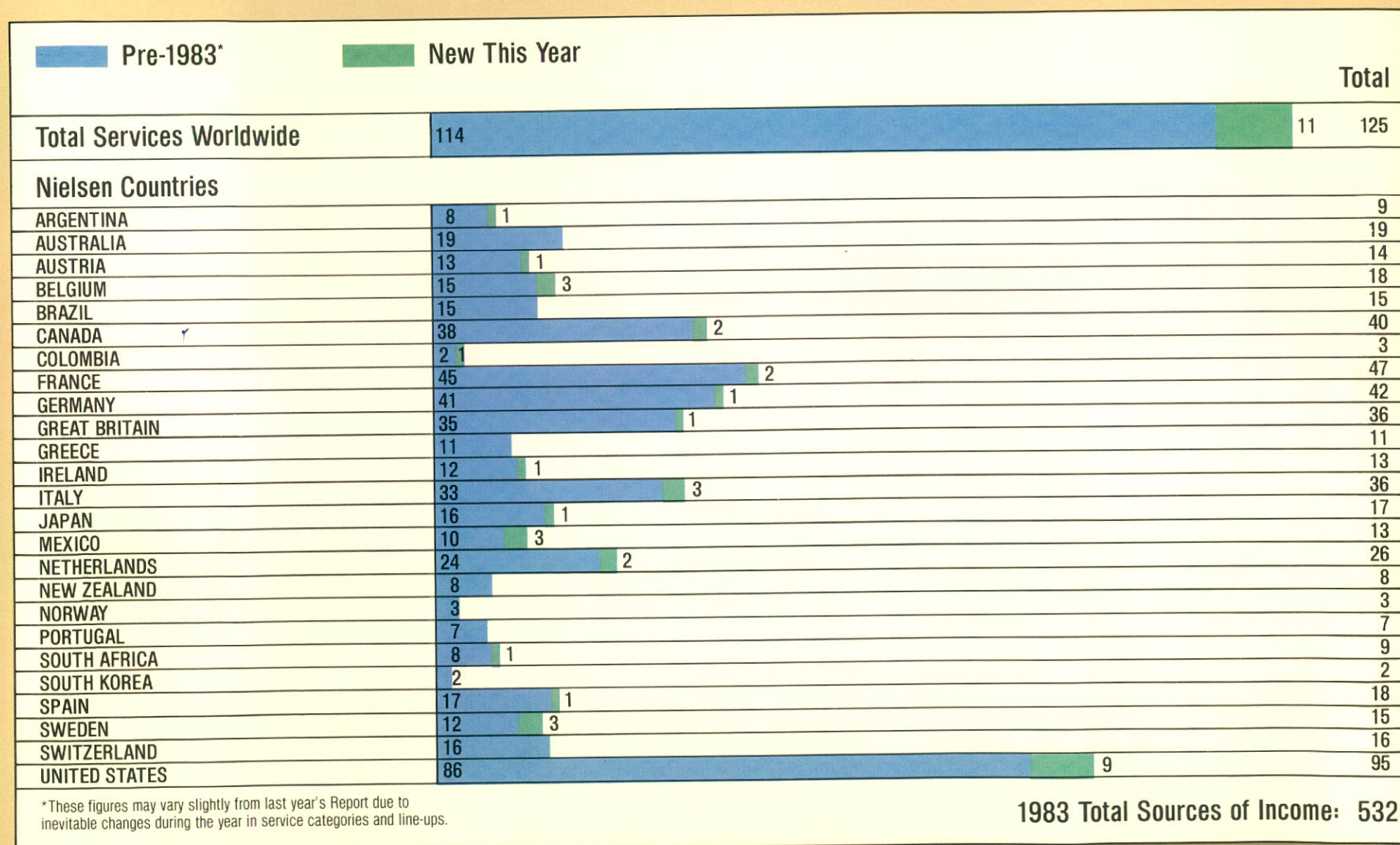
**Strong financial resources.** Once again, your Company adhered to a policy of maintaining a strong financial position. Major percentages of earnings have consistently been retained, permitting us to acquire the latest and most efficient plant and equipment which in turn has led to greater productivity and protection of profit margins.

Historically, a strong financial position has enabled us to respond promptly and effectively to opportunities which may require initial investment for development of new services, expansion of services to additional countries abroad, or corporate acquisitions.

Because these basic factors are unlikely to change, and because we fully intend to continue meeting our obligations to provide economically sound, factually-based business services to a growing number of clients, the prospects for our future growth appear bright.



## Continued Progress in Worldwide Diversification





## Marketing Research Group

Our Marketing Research Group completed its 50th year of uninterrupted growth as worldwide sales reached a record high \$363,400,000.

Unfortunately, the continued strength of the dollar once again had a dampening effect on the consolidated results in U.S. dollars, as a significant share of business is done overseas. It is comforting to know, however, that our revenue grew, without exception, in every country when measured in local currency.

This reflects the continuing value which our clients placed on the comprehensive marketing information we are able to provide, which helps them make sound decisions during difficult times. Manufacturers use our data to increase the efficiency of their distribution system, to strengthen the marketing of their existing brands and to develop new products of general appeal.

Once again, we pursued our policy of developing new services in order to assure continuing growth. More than twenty new sources of revenue were created during the year. For example, we extended services covering household appliances, audio-visual and photographic equipment, as well as products associated with the "do-it-yourself" market, to a number of other countries.

Manufacturers have a need to test their new ideas on a limited scale in order to minimize their risk. In response to this need, we acquired a French company, known as ERIM, which evaluates the performance of brands using a new technique (See illustration). The founder of ERIM, who has joined us, was the originator of this type of research. This improved testing facility, made possible by advances in data collection via scanning cash registers and methods of directing TV commercials into pre-selected households, should further enhance the value of test marketing research.

A somewhat similar service, the Nielsen Elec-

tronic Diary Service (NEDS), was launched by our Canadian company. This service is based on a sample of 2,000 households in the Toronto area. In this case, individual household purchases are obtained from data gathered by electronic scanning cash registers in supermarkets.

Since we have a complete record of the characteristics of each panel household, it is possible to determine what type of people purchase any given product. Reports are delivered weekly to enable grocery manufacturers to better understand the effects of specific advertising on marketing promotions.

In the U.S.A., there are now more than 7,000 stores equipped with scanning cash registers which can read electronically the zebra striped bar codes appearing on most packaged grocery products.

We provide two services using these checkout scanners as a source of consumer sales, pricing data and other information. One service measures brand sales on a national basis and another covers selected metropolitan areas. Both services gained in acceptance this year. This new technology enables us to improve our services by gradually increasing the size of our samples to provide more reliable estimates of marketing results in smaller geographic areas. Reports can be delivered faster and with greater frequency, enhancing their value as a means of evaluating certain types of special promotions, advertising and price policies.

Since the number of scanning cash registers is also growing in other countries, we should soon be able to provide improved services there as well. For example, in Great Britain, we act as agents for the Article Numbering Association and have established a trial service which uses scanning data derived from ten stores.

Similarly, in the Netherlands, we signed an agreement with the UAC, which will allow us to

establish and operate a central exchange of market data based on the scanning machines in that country. Experimental reports were produced in Germany, the Netherlands, and Sweden in order to enable our clients to gain some preliminary experience with data derived in this way.

Another new service, known as the Nielsen Warehouse Inventory Service, was launched in the U.S.A. to help manufacturers of health and beauty aids gain a more complete knowledge of how their products move through the distribution pipeline from factory to retail stores. The service should provide better inventory control and a better gauge of both new product acceptance and the results of special promotions.

The ever-increasing quantities of market data now available to manufacturers have provided an opportunity for us to help them organize and utilize these data more effectively via a Computerized Management System. This service is supplied by our subsidiary, Coordinated Management Systems (CMS). This company had an excellent year and enhanced its position in the management information business sector. Significant progress was made toward developing analytical capabilities which will help clients spend their sales promotion budgets more productively. CMS's on-line management information system, known as INF\*ACT, first offered in the U.S.A., now operates in twelve countries.

This system helps our clients gain a better understanding of market developments, as it permits faster, more comprehensive analysis of data supplied by us in combination with factory sales, and expenditures for advertising, trade and consumer promotions. It has also increased productivity within our own client service organization.

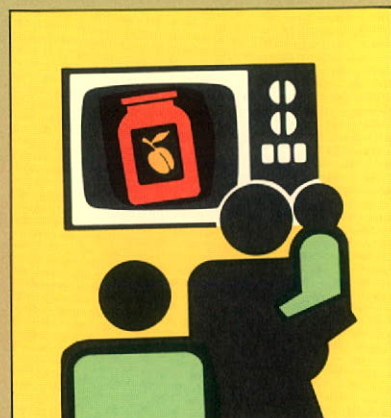
Our Compumark organization provides a service which helps manufacturers' sales



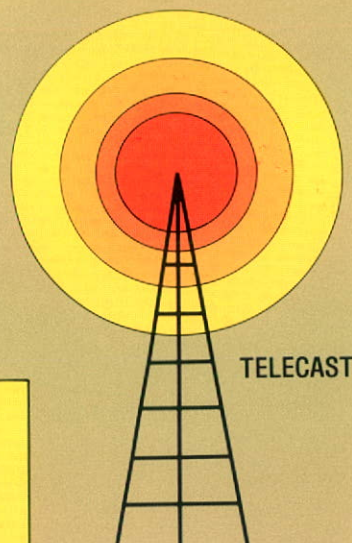
ERIM Consumer Research is based on the formation of a household panel which can be exposed to special TV advertising messages transmitted via cable to a very small area. Careful analysis of the panel's purchases in scanning stores can then determine the relative effect of various commercials on consumer purchase patterns.



PRODUCT PURCHASE



PANEL HOUSEHOLD



TELECAST

departments to better direct the efforts of their sales representatives. These individuals mail pre-printed forms to us which are then summarized at high speed with automatic equipment. This year we conducted some experiments with hand-held computers as a new means of gathering such data from sales call reports. The information entered into the hand-held computer can then be sent to us via telephone and entered directly into our computer for more rapid dissemination to clients.

Because our work takes us into thousands of retail stores each day, we are aware of certain problems common to them. This year we began working with some operators of large supermarkets in France with the objective of providing a variety of financial ratios which could help them improve their results.

A Market Information Digest was launched at

the end of the fiscal year in Australia. Containing market size, movement and location data in ninety-five product classes, together with information drawn from Nielsen's most recent sample census of grocers, chemists and confectionery outlets, and general economic data, this new Digest meets the needs of marketing managers and advertising agencies for "top line" information on a wide range of mass consumption markets.

Sound progress was made in Colombia and the Republic of Korea, where Retail Index Services were inaugurated in 1982, as well as in Norway where we acquired a majority interest in Norges Markedsdata SA in the previous year.

In an effort to render the international character of our services more beneficial to our clients, we created a Worldwide Market Review Service

which can provide interested clients access to total market development information on selected product categories in a large number of countries.

This year's profit improvement was achieved in part by reduced losses in certain countries. Australia, for example, reduced its losses substantially while Greece achieved a break-even at year end.

Operating profit margins were also improved by further increases in production efficiency. To this end, we actively pursued our policy of automating clerical tasks wherever possible by the use of the latest and best business machines. This has also led to increased job satisfaction for our skilled employees. We also continued our practice of decentralizing certain operations where economies can be achieved and better service provided to clients. This is made possible by the ability of computers to transmit data at high speeds across telephone lines and from remote locations.

Looking to the future, we have formed an international task force of computer experts to build a common data base structure which will soon enable us to achieve further savings in time and money. When complete, we should be able to introduce improved methods more quickly across many countries.

As for this coming year, we anticipate that the difficult market conditions now facing our clients will continue. High unemployment and depressed buying power are prevalent in a number of countries in which we operate. Under such conditions, competition between manufacturers to maintain or improve their share of market will undoubtedly intensify as industry sales remain flat or down. We are rather hopeful, however, that because of the proven value of our services in such circumstances, the year will show continued growth in sales.



## Media Research Group

Our Media Research Group once again achieved a record-breaking year. Revenues from our television and telecommunication services reached \$94,000,000 — an increase of 17.7% over last year. In order to accommodate future growth, construction was started on an 80,000 square foot office building adjacent to our present facilities in Dunedin, Florida.

We have benefitted from increased expenditures for television advertising which reached 16 billion dollars this year. Investments of this size require reliable program audience information as advertisers and their agencies attempt to select those programs which will reach their best prospects at the lowest possible cost.

Broadcasters, in turn, must study the ever-changing public taste so as to provide programs which meet with favor. Our television reports help them make these critical programming decisions. In addition, program producers and others associated with the industry find a variety of uses for our services.

In an effort to provide these clients with more reliable data and to measure audiences to new programming sources such as cable, we increased the sample of households from which we derive our ratings from 1,200 to 1,700.

Audience size estimates obtained using electronic meters are generally thought to be the most reliable method for collecting such data. Other methods involve asking people what programs they viewed or paying them to record their viewing in a diary.

The growth of cable services is bringing a larger number of program choices into the house. We believe this development favors the use of electronic meters over diaries, because the greater number of programs recorded places an added burden on diary keepers. The metered system, which requires no work on the part of the viewer, thus provides a greater assurance of accuracy.

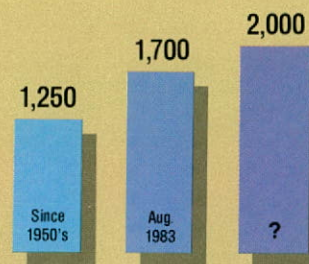
### Media Research

#### E X P A N S I O N

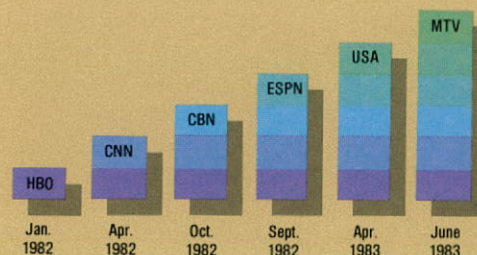
Expanding metered service into new markets, increasing sample sizes to accommodate audience fragmentation and adding cable network reports as these networks grow exemplify the Media Research Group's response to the changing needs of the television industry.

#### NTI SAMPLE EXPANSION

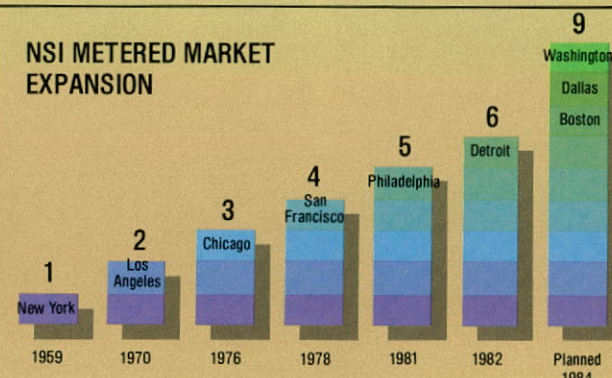
Sample Households



#### NHI CABLE NETWORK SERVICE EXPANSION



#### NSI METERED MARKET EXPANSION



A growing recognition of these developments by the industry provides an opportunity to extend our higher quality metered services into additional cities. Consequently, by the end of 1984, we will be metering nine of the largest local television markets in the United States, three more than last year. At that time your Company will be monitoring television tuning activity automatically with electronic meters in over 5,500 U.S. households.

While meters of this type provide reliable information on the number of TV sets tuned to a particular program, they do not reveal who in the family is viewing. In order to determine this essential information it is necessary to supplement meter data with individual viewing from diary keepers.

It may be possible to improve on this technique by employing a new type of meter which not only records tuning activity but can acquire audience composition data as well. This might be done by asking viewers to push a button signalling the meter their presence. One hundred and fifty

households are being equipped with such meters on an experimental basis. More specifically, each household will be supplied with a small key pad device to be used to identify which household members are watching television. We hope this system will prove successful and will enable us to further increase the accuracy of our ratings as well as speed up the delivery of the persons viewing data. However, it will not be possible to answer this question until data gathered in this way have been carefully evaluated.

Added business was obtained from our services to the cable and pay cable industries. There are now six cable networks who subscribe to our service based upon meters. With some 40% of U.S. households now subscribing to a cable service and with our larger meter sample, we anticipate that more cable networks should be subscribers to our service in the near future.

Meanwhile, we continue to conduct research on new business opportunities. One such project now operational is our Automated Measurement of Lineup (AMOL) Service, which electronically



## Compucon, Inc.

determines network program carriers.

As of Fall 1983, information collected by AMOL from the network affiliates is being used in the production of national TV ratings.

Additional new services developed this year include:

- **Cable On-Line Data Exchange (CODE)** This service provides on-line information on virtually every cable system in the U.S.
- **Micro-Node A** service providing data via mini-computers in metered markets.
- **Nielsen Product/Audience Research (NPAR)** A service that combines television viewing with a large number of demographic characteristics, available from the U.S. Census Bureau by individual zip codes. This service is now available in four markets.

Each of these new services has been designed primarily to serve stations and agency clients.

The continued growth of our business made it desirable to expand our computer facilities. We obtained an IBM Model 3033 with five times the capacity of the machine it replaced. This added capacity will enable us to better serve our clients, many of whom now wish to obtain information directly from our computer to speed up their ability to analyze the public's response to changes in programming.

While our overseas results continue to be below expectations, we are intensifying our efforts to extend Audience Research to additional countries. This year, for example, we began operation of a Diary Based Measurement Service in Colombia.

As the number of programming choices increases due to such factors as cable and satellite transmission, opportunities should develop for further extension of our television measurement systems both in the U.S.A. and abroad.

Compucon, our subsidiary serving the rapidly expanding and deregulated telecommunication industry, experienced another record setting year. Deregulation has brought many new companies into this market with a variety of improved communications equipment and services for sale. Consequently, we have experienced an increased demand for our quality communications engineering, marketing research and information services.

Compucon has developed more than twenty data bases which represent all present and planned communication facilities throughout the United States, Canada and Mexico. Our clients rely on Compucon to provide expert and objective analyses which ensure an interference free, coordinated communication system.

We can help our clients identify the best prospects for their services, track competitive developments and uncover opportunities for new communication services.

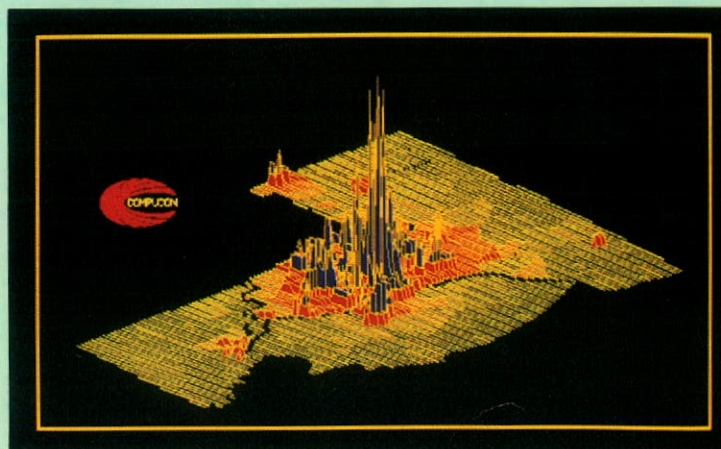
In designing new communications sys-

tems, great care must be taken to avoid interference with existing systems, as well as to provide proper reception in the area being considered. Our computer-generated graphics not only plot such details as surface area, market location, demographics and sales trends within that market, but also display the actual signal coverages which can be expected. These graphics are also used to determine the feasibility of placing a communication facility at a proposed site.

This equipment, which also provides the ability to prepare three dimensional displays, permits our clients to better plan and track marketing strategies.

We opened an office in Washington, D.C. which should enable us to better serve our clients on the East Coast.

As new and more complex communication systems evolve, the need for timely engineering and marketing research should increase, providing Compucon with ample opportunity for continued growth.



**Three-dimensional computer-generated display shows demographics for market study of cellular area. "Spikes" reflect population density and pedestals reveal average family income.**



## Clearing House Group

Record sales and profits were achieved this year. Sales reached \$90,600,000. Marketers will distribute an estimated 140 billion coupons in 1983, a 17% gain over the previous year and a 93% increase over the past five years. More manufacturers than ever are using coupons to attract buyers and to augment their advertising campaigns. Shoppers respond to coupon offers as a means of stretching their budgets. Retailers also attempt to attract more customers by offering double and sometimes even triple the face value of coupons for limited periods of time.

Our earnings consequently increased as larger numbers of coupons were sent to our Clearing House for redemption. In addition, we benefitted from a decline in interest rates which reduced the costs of financing the funds which we advanced to retailers at lower cost.

These increased operating profits, when combined with our efforts to speed up the processing time required to bill coupons to manufacturers, produced a major improvement in our return on investment in this activity.

We operate the Clearing House in seven countries outside the United States, and these countries also contributed to our progress during the year.

In addition to redeeming coupons we operate a companion service which returns money or coupons to shoppers who have mailed in some proof-of-purchase of an item. This area of our business also registered considerably higher volumes in 1983 than ever before.

In order to cope with this expanded volume of work, as well as to meet future needs, we embarked on several major new investments in plant and equipment. The most noteworthy of these were:

- Construction of a 46,000 square foot building in Corby, England completed in November of 1983. This facility houses all management,

sales and production functions of our operations in Great Britain.

- Upgrading of our computer system in Great Britain.
- Purchase of our presently rented Canadian production facilities in St. John, New Brunswick, preparatory to an expansion to 45,500 square feet.
- Breaking ground in El Paso, Texas, for a 102,000 square foot building which will consolidate all production operations in that city and provide for anticipated future needs.
- Renovation of our headquarters building in Juarez, Mexico to better accommodate changing production requirements and administrative needs.

This coming year will no doubt be a most challenging one as we face a variety of economic, political and competitive conditions which appear to be more challenging than those faced in the past. However, with a strong and valued customer base and a demonstrated ability to serve their diverse needs, we believe it will be another fine year.



This sampling of regularly published information, reports and special studies on areas of coupon and refund interest and concern are representative of the continuing efforts of the Clearing House Group to serve as a leadership source of vital and reliable information for the industries they serve.



## Neodata Services Group

Our service to magazine publishers grew in both revenue and profits. We maintain subscriber lists for publishers on a large computer and supply names and address labels to printers who in turn affix them to individual magazines. We now supply such labels every month for over half of the nation's households.

During the year, we were successful in adding twenty-one new magazines to our client roster, which now totals 131 publications. Among the new ones were: *Audubon*, *Family Computing*, *Board Room Reports* and *Women's Day*.

In support of this activity, we invested more than \$8,000,000 this past year in advanced computer hardware and accompanying sophisticated software. This unique system enables us to enter new orders, renewals and payments, as well as address changes, directly into the computer. Much of this data entry work is done at our facilities in Ireland which are connected by telephone cable to our central computer in Boulder, Colorado.

Our clients also have direct access to this Boulder computer from their offices, enabling them to refine their circulation management systems. Specifically, the reports which can be generated on this new system help them acquire new subscribers, as well as retain existing ones, at lower cost.

This major investment has improved our work, enabling us to enter customers' new orders, answer inquiries regarding the status of an individual subscription and, when necessary, make adjustments, all considerably faster than was possible with our previous system.

It is our view that a market can be developed for this sophisticated circulation management system in additional countries. Consequently, we have attempted to establish this business in Europe, in order to take advantage of our technical capabilities in the field. Most magazines



on the European Continent are purchased either at newsstands or in retail stores, with only a small percentage being sold by subscription and delivered to homes. It is our hope that the home delivered market which we serve will gradually increase over time, just as it has in the United States.

Our first effort in this regard occurred in Germany. Here sales increased by more than 25% last year.

More recently we began operations in France, where we obtained some customers and then acquired a local firm engaged in this work. Revenue more than doubled this past year.

As was to be expected, we are experiencing losses in both these countries.

These losses are likely to continue for some time until we can acquire a sound customer base, train personnel on our system and demonstrate its advantages to a wider circle of users.

Within a reasonable time, we believe that the efficiencies obtainable through a large-scale operation such as ours should produce appreciable savings and other advantages to magazine publishers and, eventually, return a profit on our investment.

Meanwhile, the continued growth of the business reflects an increasing awareness among publishers that their circulation activities can be safely turned over to a specialized service organization such as Neodata, much as they have come to rely on outside printers rather than attempt to print their magazines themselves.

Several of the most recent additions to Neodata's client roster are shown above among other long-term clients' publications.



## Petroleum Information Group

Our services to the petroleum industry declined for the first time after growing nicely for many years. Revenues were slightly more than \$80,000,000 — off some 11% from last year's record figures.

As surpluses of oil and gas occurred, prices of these fuels fell and the industry contracted, with the result that there were fewer customers for us to serve. The drop in drilling activity, which began in January of 1982, continued until mid-1983.

The number of active drilling rigs has now begun to increase slowly. We anticipate a further orderly increase over the coming years as it becomes more difficult to find new oil and gas reserves. This appears likely as the easier to explore and drill areas have already been worked over. This gives us confidence that the demand for PI services will remain at or above current levels, which should permit us to achieve satisfactory profit margins.

The data we supply to this very large industry are obtained from individual wells. They cover various aspects of geological drilling activity, as well as the resulting production statistics. Information is supplied to customers in a variety of ways, including printed reports, microfilm and digital tapes, as well as via on-line access to our computers. Customers for these services number in the thousands and include those involved in all aspects of the industry: exploration, production, finance, investment, service and supply.

Our data have proven useful to a variety of specialists, such as geologists, engineers, economists, marketers, consultants and others. For example, we provide over five hundred specific items of information on each well drilled from a data base which now numbers more than 1.4 million wells in the United States and Canada. Detailed information on some 97% of all domestic oil and gas production is covered in these reports. In short, we can supply a complete



history of the performance of countless individual wells and leases. This information is considered important to the profitable and efficient management of both exploration and production activities.

A number of associated services have been developed which can be sold to this same market. For example, we collect, reproduce and market well logs which reveal the characteristics and fluid content of the formations penetrated on each well as it is drilled. More than two million such logs are now available from us and are housed in our libraries throughout the principal oil regions.

A variety of maps is also among the standard tools required in this work. We supply many different map types, some produced by satellite imagery as well as aerial photography, the latter such maps being essential in the appraisal of large areas of the earth's surface.

Other maps show both surface and lease ownership of the land. These maps are necessary if one wishes to acquire the right to drill. In addition, we prepare maps by computer using these data which reveal the sub-surface characteristics of the earth. These maps present information useful in prospecting as well as in other drilling related activities.

Since we have knowledge of each well being drilled, it is possible to report the various supplies and equipment being used in the drilling

Petroleum Information serves the energy industry everywhere with a variety of essential data delivered in many formats ranging from printed materials, microform, digital tapes, maps and logs to on-line access to massive information databases.

and associated production operations. From this information, we derive marketing statistics which show both the size, trend and share of market enjoyed by the various sellers of these supplies and equipment. These data are useful to all who cater to this market.

The petroleum industry is the largest industry of all and is made up of thousands of organizations of widely varying size. Recent advances in computer technology now make it possible for us to better serve smaller concerns as well as the very large companies who have been the primary supporters of our services in the past. We are now offering a computer based service to smaller, independent producers, making available to them the necessary equipment, software and data they require. In addition, we have devoted considerable effort to enabling all clients — large and small — to gain direct access for on-line delivery of data stored in our main computers.

Since the search for essential oil and gas goes on all over the world, we are expanding our operations outside the U.S.A. Data are now being collected in the United Kingdom, Western Europe, Australia, Asia and the Middle East. We're publishing a newsletter as well, which covers current events on a worldwide basis.

As the world economy recovers from the recent depression, we expect the need for energy to grow, including that for petroleum products. New supplies must constantly be sought in order to replace those used up each year. Our services have demonstrated their value to those engaged in this search. We expect to capitalize on this demand in the future.



## **Dataquest Incorporated**

Dataquest had a record-breaking sales year. We gained increasing recognition throughout the world for our continuous, syndicated high-technology research services.

In April 1983, Dataquest moved into new corporate offices in San Jose, California. This headquarters building, which encompasses 110,000 square feet, houses almost 300 employees. Dataquest also maintains offices in Northbrook, Illinois; London, Paris, Frankfurt and Tokyo.

Approximately 700 client companies rely on Dataquest's research for strategic and tactical support in the decision-making process. Reports cover fourteen different industries and provide information on market size and trends, competition, market shares and technological developments. Examples of products covered include: CAD/CAM (computer-aided design/computer-aided manufacture), computer peripherals, computer systems, office automation, semiconductors and telecommunications.

The continuing trend toward increasing automation in the office creates a need for accurate and insightful information on this market. Dataquest's newly-formed Office Automation Service studies this complex market which offers vendors both enormous potential and significant risk.

Information provided covers such areas as word processing, electronic typewriters, electronic message systems, demographics, ergonomics, and other topics vital to an understanding of office automation.

We have also focused our attention on integrated circuit technologies, major state-of-the-art projects, profiles of major manufacturers and in-depth analyses of statistical trends.

Our specialists are also attempting to interpret the unique government/industry relationship in Japan, the methods used there to fund the elec-

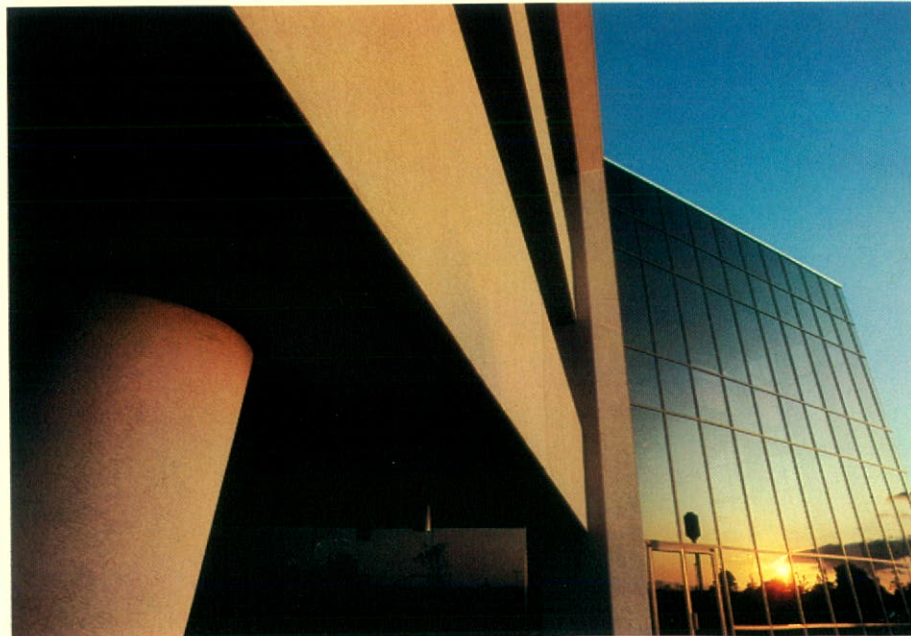
tronics industries through the banking system and the complex marketing distribution systems employed. In addition, we provide background information on Japanese history, geography, demographics, society, government and the economy — all with the objective of helping business negotiate more successfully in that increasingly important industrial country.

Dataquest also offers services to the construction industry. The recent modest upswing in the construction industry offers a brighter sales picture for this work. More than 17,000 clients rely on us for information on construction, mining, logging, agricultural and materials handling equipment. Those who sell, lease, finance, own, operate or service such equipment recognize Dataquest as the world's most complete single source of information on

market statistics, owning and operating costs, equipment values, manufacturers' specifications, and industry trends.

Among our services is ADVANT, (formerly called CON QUIP) an electronically accessed data base that provides names and addresses of customers who bought, rented, or leased heavy equipment in the United States if the transaction was financed. ADVANT clients rely on this information to aid them in marketing, strategic planning and product development.

By continuing to evaluate new products and services to meet the increasing needs for timely, accurate information in these fields, we anticipate continued growth for Dataquest in the years ahead.

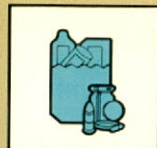


**The new Dataquest corporate headquarters building in San Jose, California was completed and occupied in April 1983.**



## ***A Brief Description of Our Major Services***

The following is updated from last year's Annual Report because many stockholders felt it provided an informative digest of the Company's activities.



### **Marketing Research Group**

The rate of a product's movement across retail counters represents the final result of the manufacturer's production and marketing efforts. Accurate measurement of that result is essential in determining the effectiveness of major marketing moves.

Major services provided by the Marketing Research Group measure consumer response at the actual point of sale. Regularly visiting a national sample of retail stores, full-time Nielsen auditors determine sales to consumers and much additional marketplace information, such as retail inventories, brand distribution, out-of-stock conditions, prices and displays. Since audits are repeated regularly, all-important trends are produced.

Each client is continually informed as to his sales performance and market share—for the entire country, and separately by regions, store type and size, package sizes, etc. Analysis of such information reveals the client's competitive position and trends, and helps him more accurately evaluate his own, as well as competitive, marketing efforts. Thus, he is better able, than are competitors lacking such information, to make vital and far-reaching decisions with safety and profit.

Many of these basic service principles are utilized in certain other services related to test marketing, new product evaluation, reporting on major market areas, etc. These companion services have a common objective: to help clients market their products more profitably.



### **Media Research Group**

To the television advertisers, networks and stations which invest literally billions of dollars per year in television, it is vitally important to know how many families—and what numbers and types of people—are being reached with television sales messages. Such information helps maximize the effectiveness of television advertising and programming.

Nielsen network television audience estimates utilize the Storage Instantaneous Audimeter® which automatically stores TV "on/off" information and channel selections for all sets in each household participating in our scientifically selected cross-section of TV households. Our computers retrieve this information during daily phone calls to each household over phone lines installed for this purpose.

For local television, in some 220 markets, telephone household samples are drawn by computer. Each cooperating family receives diaries in which one week of viewing is recorded. The Storage Instantaneous Audimeter system is also used to provide reports for metropolitan New York, Chicago, Los Angeles, San Francisco, Philadelphia, Detroit, Boston, Washington and Dallas, as well as major cable networks. Audimeters are connected, via leased phone lines, to electronic computers in Dunedin, Florida where audience size and estimates are computed instantaneously.

The general acceptance of Nielsen television services is indicated by many hundreds of subscribers, including all television networks and over six hundred television stations, major advertisers and their agencies and many program producers.



### **Clearing House Group**

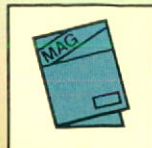
Many manufacturers regularly promote sales with coupons redeemable in part payment for merchandise. However, redemptions create problems for stores which must count, sort, prepare invoices and collect reimbursements from hundreds of manufacturers.

These small invoices create problems, in turn, for the manufacturers whose redemption departments, handicapped by widely fluctuating work loads, must issue thousands of small reimbursement checks.

The Nielsen Clearing House eliminates most of these problems: retailers simply mail all redeemed coupons to us and are promptly reimbursed. We, in turn, bill each manufacturer periodically with a single invoice covering all retailers' redemptions of that manufacturer's coupons.

This convenient, economical system has gained wide acceptance, facilitating use of couponing.

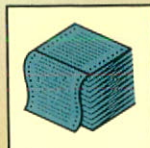




## Neodata Services Group

Neodata maintains and constantly updates various types of mailing lists, including magazine circulation lists, which collectively contain millions of names. The process requires dependable accounting for receipt of payment from sales agents and subscribers, keeping track of changing addresses, sending promotional notices of renewal at appropriate times, recording gift subscriptions, producing address labels for each subscriber, etc.

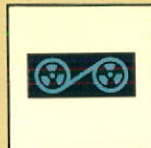
By combining volumes of many clients, Neodata maintains a facility that is more efficient—with greater capability—than any that could be justified by the typical publisher acting alone.



## Custom Research Services

Many problems faced by business organizations require custom-designed research projects. Such research calls for a great variety of skills and knowledge, and requires a number of research techniques, including the personal interview, the mail questionnaire and the telephone survey.

Custom Research is applicable to a wide variety of businesses and broadens the facilities we offer.



## Dataquest Incorporated

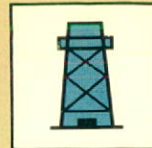
The *Technology Information Division* provides comprehensive market research in ten high technology industries. These research services are extremely useful in evaluating and acting upon fast-changing market and technological developments. Syndicated services are currently provided in these high technology industries:

Semiconductor — Semiconductor User — Small Computer — Electronic Printer — Office Automation — Copier and Duplicator — Telecommunications — Computer Memory — CAD/CAM — Display Terminal.

Additional research services are provided in Japanese Semiconductors, European Semiconductors and European Printers.

These are known as fields of continuous and rapid change. Keeping abreast of this change is essential to executives associated with marketing, engineering, product planning and competitive analysis — within the industry and among financial institutions.

The *Machinery Information Division* serves manufacturers, dealers, distributors and users of heavy construction equipment and machine tools. Essential types of information produced include identifying equipment buyers, sellers and financiers; ranges of equipment sizes and types; analysis of regional and seasonal trends; product specifications; value and cost guides for equipment buying, renting and operation, and market analysis.



## Petroleum Information Group

Through subsidiaries, we produce information utilized by the oil and gas industry to help make exploration and production operations more efficient. Not only is the continuous search for new oil and gas fields a matter of vital national interest, but exploration, drilling and other operations have constantly become more sophisticated and technologically demanding. This increases the importance of reliable, highly detailed computerized drilling and production histories on a well-by-well basis.

These types of data, and our many other basic information products, improve productivity and cost efficiency in the process of energy development.



**A. C. Nielsen Company and Subsidiaries**  
**CONSOLIDATED BALANCE SHEETS**  
(Thousands of dollars)

**ASSETS**

|                                                                                                                      | <u>August 31</u> |                  |
|----------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                      | <u>1983</u>      | <u>1982</u>      |
| Current Assets:                                                                                                      |                  |                  |
| Cash and deposits earning interest .....                                                                             | \$ 31,879        | \$ 19,886        |
| Marketable securities, at cost which approximates market.....                                                        | 8,696            | 35,751           |
| Accounts receivable:                                                                                                 |                  |                  |
| Clients (less allowance of \$4,274,000 in 1983 and \$3,190,000 in 1982 for doubtful accounts)                        | 169,114          | 132,162          |
| Other .....                                                                                                          | 7,469            | 5,767            |
| Advances to clients .....                                                                                            | 5,632            | 8,904            |
| Unbilled expenditures for clients .....                                                                              | 72,590           | 51,857           |
| Other current assets .....                                                                                           | 19,190           | 14,629           |
| Total current assets.....                                                                                            | <u>314,570</u>   | <u>268,956</u>   |
| Property and Equipment:                                                                                              |                  |                  |
| Land and improvements .....                                                                                          | 13,996           | 12,101           |
| Buildings .....                                                                                                      | 96,160           | 74,660           |
| Furniture and equipment .....                                                                                        | 128,636          | 112,785          |
| Leasehold improvements, net .....                                                                                    | 4,608            | 5,929            |
|                                                                                                                      | <u>243,400</u>   | <u>205,475</u>   |
| Less—Accumulated depreciation .....                                                                                  | 76,610           | 65,459           |
|                                                                                                                      | <u>166,790</u>   | <u>140,016</u>   |
| Other Assets:                                                                                                        |                  |                  |
| Energy and other data files (net of accumulated amortization of \$13,152,000 in 1983 and \$12,868,000 in 1982) ..... | 21,054           | 18,516           |
| Excess of cost over net assets of acquired companies.....                                                            | 2,387            | 2,963            |
| Other .....                                                                                                          | 19,872           | 11,102           |
|                                                                                                                      | <u>43,313</u>    | <u>32,581</u>    |
|                                                                                                                      | <u>\$524,673</u> | <u>\$441,553</u> |

(See Notes to Consolidated Financial Statements)



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**NOTE 1 (continued)**

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**Contract Revenue**

Many contracts for the Marketing Research Group and the Media Research Group are billed before the services are complete. Amounts ranging from the last month's billings on most U.S. service contracts to the last one or two months' billings on most foreign service contracts are deferred from income and subsequently recognized as revenue as related costs are incurred. Revenue from most other services is recorded in income when billed.

During fiscal 1983, seven of the Company's foreign operations were able to reduce the production and delivery time of client reports as a result of more efficient processing techniques. Accordingly, those operations reduced their deferral periods for revenue recognition and recorded additional revenues of \$2,391,000, increasing net income by \$1,411,000 or \$.06 per share. During fiscal 1982, three foreign operations reduced their deferral period for revenue recognition, which resulted in additional revenues of \$1,178,000, increasing net income by \$936,000 or \$.04 per share. During fiscal 1981, three foreign operations reduced their deferral periods for revenue recognition and recorded additional revenues of \$3,937,000, increasing 1981 net income by \$2,042,000 or \$.09 per share.

**Accrued Salaries and Wages**

During fiscal 1982, the Company implemented Statement of

Financial Accounting Standards No. 43, "Accounting for Compensated Absences". A liability for vacation time earned by employees but not used at August 31, 1983 and 1982 is included in accrued salaries and wages. The cumulative effect on years prior to 1982 was recorded as an adjustment to beginning 1982 retained earnings since the impact of this change on results of operations for 1982 and 1981 was not material.

**Severance Obligations**

Certain foreign branches and subsidiaries are required to pay a severance allowance to employees. Generally, such payments are required upon voluntary or involuntary separation and are based upon length of service and level of compensation. Provision is made annually for the additional severance allowances that would be payable if all eligible employees terminated their employment at the end of the year.

**Pension Costs**

Except for subsidiaries in Germany and Austria, where accrued pension costs are not funded, actuarially determined pension costs, including amortization of prior service costs over varying periods not exceeding thirty years, are funded as accrued.

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**NOTE 2**

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**ACQUISITIONS  
AND  
DIVESTITURES**

The Company, in several separate transactions, acquired the assets and businesses of certain companies for an aggregate cash cost of \$3,050,000 in 1983, \$422,000 in 1982, and \$7,541,000 in 1981. These acquisitions were accounted for as purchases, and the results of operations of the acquired businesses are included in the Consolidated Statements of Income and Retained Earnings from the dates of acquisition. Had these acquisitions occurred at September 1, 1980, the effect on consolidated revenues, net income, and net income per share for the three years ended August 31, 1983 would not have been material.

During 1983, the Company sold the assets and businesses of McCord Lewis Energy Service and Nuclear Power Experience. During 1982, the Company sold the assets and discontinued the business of Pharos International, Inc. Pharos' results of operations in fiscal 1981 did not affect consolidated net income due to certain guarantees included in the sale contract. During 1981, the Company sold the assets and businesses of Product Recovery Services, Incorporated and Dataquest Securities, Incorporated. The sale of these businesses did not result in any material gains or losses.



# NOTE 3

## FINANCING ARRANGEMENTS

### SHORT-TERM BORROWINGS

|                              | 1983                   |                                                   | 1982                   |                                                   | 1981                   |                                                   |
|------------------------------|------------------------|---------------------------------------------------|------------------------|---------------------------------------------------|------------------------|---------------------------------------------------|
|                              | (Thousands of dollars) |                                                   | (Thousands of dollars) |                                                   | (Thousands of dollars) |                                                   |
| <u>Loans Payable</u>         | <u>Amount</u>          | <u>Weighted<br/>Average<br/>Interest<br/>Rate</u> | <u>Amount</u>          | <u>Weighted<br/>Average<br/>Interest<br/>Rate</u> | <u>Amount</u>          | <u>Weighted<br/>Average<br/>Interest<br/>Rate</u> |
| Average Monthly Borrowings   |                        |                                                   |                        |                                                   |                        |                                                   |
| Domestic .....               | \$ 2                   | 14.2%                                             | \$ 1,880               | 17.1%                                             | \$24,600               | 17.3%                                             |
| Foreign .....                | 2,199                  | 12.3                                              | 5,285                  | 18.1                                              | 187                    | 16.7                                              |
| Borrowings at Year End       |                        |                                                   |                        |                                                   |                        |                                                   |
| Domestic .....               | —                      | —                                                 | 13                     | 14.8                                              | 19,295                 | 18.5                                              |
| Foreign .....                | 3,293                  | 13.6                                              | 5,632                  | 11.8                                              | 421                    | 16.9                                              |
| Maximum Month-End Borrowings |                        |                                                   |                        |                                                   |                        |                                                   |
| Domestic .....               | 11                     | —                                                 | 11,597                 | —                                                 | 37,195                 | —                                                 |
| Foreign .....                | 3,293                  | —                                                 | 5,632                  | —                                                 | 421                    | —                                                 |

The average monthly borrowings and weighted average interest rates were determined using month-end borrowings and the interest rates applicable to them.

The Company has unsecured lines of credit with domestic and foreign banks which allow it to borrow funds at rates which are generally at a small spread over the lender's cost. At August 31, 1983, the unused portion of these lines of credit amounted to \$62,386,000, of which \$39,000,000 was arranged for the support of commercial paper borrowings.

In addition to bank loans, the Company had commercial paper borrowings during fiscal 1983 and 1982 with a composite interest rate of 8.8% and 13.9%, respectively. The average monthly balances for each of the fiscal years were \$11,836,000 and \$3,637,000. The maximum borrowing at the end of any one month was \$20,500,000 during fiscal 1983 and \$17,060,000 during fiscal 1982. There were no commercial paper borrowings at the end of either fiscal year.

### LONG-TERM DEBT

Long-term debt, net of current maturities, at August 31, 1983 and 1982 consists of:

|                                                                                                                  | <u>1983</u>            | <u>1982</u>     |
|------------------------------------------------------------------------------------------------------------------|------------------------|-----------------|
|                                                                                                                  | (Thousands of dollars) |                 |
| Industrial revenue bonds, at various rates of interest averaging 8%, and due at various dates through 2001 ..... | \$18,900               | \$ 8,700        |
| Borrowings by foreign subsidiaries (various rates and maturities) .....                                          | 1,574                  | 3,529           |
| Other (various rates and maturities) .....                                                                       | 46                     | 92              |
| Capital lease obligations .....                                                                                  | 3,269                  | 3,491           |
| Long-term debt, less current portion .....                                                                       | <u>\$23,789</u>        | <u>\$15,812</u> |

The amounts of long-term debt, excluding capital lease obligations, due during the years 1985 through 1988 are \$570,000 in 1985, \$3,279,000 in 1986, \$3,444,000 in 1987, and \$1,672,000 in 1988.

In fiscal 1983, 1982 and 1981, the Company capitalized interest costs in accordance with Statement of Financial Accounting Standards No. 34. Total interest costs incurred during fiscal 1983, 1982 and 1981 were \$4,336,000, \$5,975,000 and \$7,045,000, respectively, of which \$1,133,000, \$1,821,000 and \$2,064,000 were capitalized.



## NOTE 4

### EMPLOYEE BENEFIT PLANS

There are pension plans, some contributory and others noncontributory, covering substantially all employees. Charges to pension expense for fiscal years 1983, 1982, and 1981 were \$12,694,000, \$10,896,000, and \$11,791,000, respectively. A comparison of accumulated plan benefits and plan net assets as of September 1, 1982 (latest actuarial valuation) and 1981 for the Company's domestic plans follows:

|                                                                                         | September 1, 1982   | September 1, 1981   |
|-----------------------------------------------------------------------------------------|---------------------|---------------------|
| Actuarial present value of accumulated plan benefits, using a 7% assumed rate of return |                     |                     |
| Vested .....                                                                            | \$55,402,000        | \$45,450,000        |
| Nonvested .....                                                                         | 16,147,000          | 18,709,000          |
|                                                                                         | <u>\$71,549,000</u> | <u>\$64,159,000</u> |
| Net assets available for benefits .....                                                 | <u>\$78,563,000</u> | <u>\$75,812,000</u> |

Accumulated plan benefits have not been calculated for the Company's foreign pension plans because these plans are not required to report pursuant to U.S. ERISA requirements. Unfunded prior service costs for those plans as of the most recent actuarial valuation dates were not material.

The Company and certain subsidiaries have profit sharing plans which provide for payment of annual bonuses to key employees. Some of these plans provide for the allocation of the profit sharing provision into two segments: one payable currently and another payable over a specific period of time (generally two years). Amounts charged to income under all plans totaled \$26,708,000 in 1983, \$21,998,000 in 1982, and \$18,667,000 in 1981.

## NOTE 5

### STOCKHOLDERS' EQUITY

Class A and Class B Common Stock have equal rights, except that Class B Common Stock has voting rights and Class A Common Stock has no voting rights other than as required by the laws of the State of Delaware.

Class C Special Stock is also entitled to voting rights, and these shares are generally voted with the Class B Common Stock as a single voting class; each share of both classes of stock is entitled to one vote. In addition, Class C Special Stock has pre-emptive and other rights that allow the holders to maintain their proportionate voting power in the Company. On liquidation, Class C Special Stock is entitled to not more than one cent per share (\$61,252) and the Common Stock is entitled to the remaining assets. The maximum annual dividend allowable on Class C Special Stock is one-half mill per share and, at the option of the Board of Directors and with the affirmative vote of 80% of the holders of the outstanding shares of Class B Common Stock, such Class C shares are redeemable at one cent per share.

On February 14, 1983, shareholders approved a doubling of the Company's authorized shares. A two-for-one stock split became effective February 25, 1983, whereby one additional share of common stock, par value \$1.00, was issued for each share outstanding. Also, one additional share of Class C Special Stock,

par value \$0.01, was issued for each share outstanding. The par value of the stock issue, \$11,256,672, was charged to Additional Paid-in Capital to the extent of the balance in the account, \$869,436, and the remainder, \$10,387,236 was charged to retained earnings. All share data appearing in the financial statements and notes thereto have been adjusted for this stock split, as appropriate.

Dividends of \$.65, \$.54, and \$.49 per share were paid on Class A and Class B Common Stock in 1983, 1982 and 1981, respectively. Dividends of one-quarter mill per share were paid on Class C Special Stock in 1983, 1982 and 1981.

Effective for fiscal 1983, the Company adopted the Statement of Financial Accounting Standards No. 52, "Foreign Currency Translation." (See Note 1). Below is an analysis of the cumulative translation adjustment, which is shown as a separate component of stockholders' equity:

|                                                           |                      |
|-----------------------------------------------------------|----------------------|
| Impact on September 1, 1982 balance sheet ....            | \$(4,669,000)        |
| Translation adjustment for current year .....             | <u>(1,696,000)</u>   |
| Cumulative translation adjustment at August 31, 1983..... | <u>\$(6,365,000)</u> |

There were no income taxes allocated to translation adjustments.



## NOTE 6

### INCOME TAXES

The provisions for income taxes are summarized below:

|                                        | <u>U.S.<br/>Federal</u> | <u>State &amp;<br/>Foreign</u> | <u>Worldwide</u> |
|----------------------------------------|-------------------------|--------------------------------|------------------|
|                                        | (Thousands of dollars)  |                                |                  |
| <u>1983</u>                            |                         |                                |                  |
| Currently payable.....                 | \$27,362                | \$ 13,780                      | \$ 41,142        |
| Tax effects of timing differences..... | <u>3,974</u>            | <u>1,150</u>                   | <u>5,124</u>     |
|                                        | <u>\$31,336</u>         | <u>\$ 14,930</u>               | <u>\$ 46,266</u> |
| <u>1982</u>                            |                         |                                |                  |
| Currently payable.....                 | \$16,473                | \$ 14,146                      | \$ 30,619        |
| Tax effects of timing differences..... | <u>11,694</u>           | <u>(219)</u>                   | <u>11,475</u>    |
|                                        | <u>\$28,167</u>         | <u>\$ 13,927</u>               | <u>\$ 42,094</u> |
| <u>1981</u>                            |                         |                                |                  |
| Currently payable.....                 | \$18,747                | \$ 13,264                      | \$ 32,011        |
| Tax effects of timing differences..... | <u>3,479</u>            | <u>1,423</u>                   | <u>4,902</u>     |
|                                        | <u>\$22,226</u>         | <u>\$ 14,687</u>               | <u>\$ 36,913</u> |

The provisions for income taxes recognize the tax effects of all transactions entering into the determination of income for financial reporting purposes regardless of the period in which they are reported for income tax purposes. Timing differences in the tax provision result from certain items of revenue and expense being recognized in different periods for financial reporting and income tax purposes.

During fiscal 1983 and 1982, the Company entered into tax transfer leasing agreements as provided for under the Tax Equity and Fiscal Responsibility Act of 1982 and the Economic Recovery Tax Act of 1981. An investment account was established for purchased tax benefits, which was reduced by actual tax benefits generated. The Company realized tax benefits of approximately \$4,300,000 in 1983 and \$7,700,000 in 1982, which were accounted for by a reduction in the currently payable and an increase in the deferred tax provisions. There was no significant impact on either years' net income.

Investment tax credits are treated as reductions of the provisions for U.S. income taxes in the years earned.



NOTE 6 (continued)

Differences between the statutory U.S. corporation income tax rate and the effective income tax rate are:

|                                                                  | 1983                   |                       | 1982            |                       | 1981            |                       |
|------------------------------------------------------------------|------------------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
|                                                                  | Amount                 | % of pre-tax earnings | Amount          | % of pre-tax earnings | Amount          | % of pre-tax earnings |
|                                                                  | (Thousands of dollars) |                       |                 |                       |                 |                       |
| Domestic pre-tax earnings .....                                  | \$78,670               |                       | \$69,504        |                       | \$54,666        |                       |
| Foreign pre-tax earnings .....                                   | 17,045                 |                       | 16,781          |                       | 18,246          |                       |
| Worldwide pre-tax earnings.....                                  | <u>\$95,715</u>        |                       | <u>\$86,285</u> |                       | <u>\$72,912</u> |                       |
| Income tax at U.S. statutory rate .....                          | \$44,029               | 46.0%                 | \$39,691        | 46.0%                 | \$33,540        | 46.0%                 |
| Increases (reductions) resulting from:                           |                        |                       |                 |                       |                 |                       |
| Investment tax credit.....                                       | (2,686)                | (2.8)                 | (1,690)         | (2.0)                 | (1,246)         | (1.7)                 |
| State income taxes, net of federal income tax benefit .....      | 1,533                  | 1.6                   | 1,420           | 1.6                   | 1,355           | 1.8                   |
| Translation of foreign financial statements .....                | 381                    | .4                    | 832             | 1.0                   | 2,186           | 3.0                   |
| Differentials between foreign and U.S. effective tax rates ..... | 3,103                  | 3.2                   | 2,126           | 2.5                   | 1,734           | 2.4                   |
| Other, net.....                                                  | <u>(94)</u>            | <u>(.1)</u>           | <u>(285)</u>    | <u>(.3)</u>           | <u>(656)</u>    | <u>(.9)</u>           |
|                                                                  | <u>\$46,266</u>        | <u>48.3%</u>          | <u>\$42,094</u> | <u>48.8%</u>          | <u>\$36,913</u> | <u>50.6%</u>          |

At August 31, 1983, U.S. income taxes have not been provided on approximately \$35,700,000 of cumulative undistributed earnings of foreign subsidiaries which management intends to reinvest in those operations for an indefinite period of time. Such earnings, if distributed, would incur income tax expense at substantially less than the U.S. income tax rate as a result of previously paid foreign income taxes which would become available as foreign tax credits.

Deferred income taxes have been provided on the undistributed earnings of foreign subsidiaries expected to be remitted in taxable distributions in future years.



# NOTE 7

## BUSINESS SEGMENT INFORMATION

The Company's principal business is the marketing of a broad and diversified line of services to the international business community. For the purposes of reporting in accordance with Statement of Financial Accounting Standards No. 14, the Company's services have been classified into the following business segments:

**Research Services**—Included in this segment are the Marketing Research Group, the Media Research Group, Coordinated Management Systems, Inc., Dataquest Incorporated and Compucon, Inc.

**Clearing House Services**—Included in this segment are the various services offered by the Nielsen Clearing House Group.

**Petroleum Information Services**—Included in this segment are the various services offered by Petroleum Information Corporation.

**Other Services**—Included in this segment are the Neodata Services Group and Compumark, Inc.

In the following table, sales of services represent strictly sales to clients as presented in the Company's Consolidated Statements of Income and Retained Earnings; intersegment sales are not significant. Unallocated interest income (\$1,082,000 in 1983, \$2,222,000 in 1982 and \$1,148,000 in 1981) and interest expense (\$1,447,000 in 1983, \$900,000 in 1982 and \$3,540,000 in 1981) are included in general corporate expenses, net. Corporate assets are principally cash, marketable securities and properties.

Intercompany interest expense has been imputed on funds advanced to the Clearing House Group to reflect the capital intensive nature of this business and the cost of capital incurred by this business segment. Interest was imputed based upon a formula which reflected the estimated interest costs of this group as if it were a separate entity relying on outside sources to finance its operation.

### BUSINESS SEGMENTS

Fiscal Year Ended August 31, 1983

(Thousands of dollars)

|                                                                                                                                       | Research<br>Services | Clearing<br>House<br>Services | Petroleum<br>Information<br>Services | Other<br>Services | Eliminations | Consolidated |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------|--------------------------------------|-------------------|--------------|--------------|
| Sales of services.....                                                                                                                | \$457,407            | \$ 90,596                     | \$80,202                             | \$52,057          |              | \$680,262    |
| Operating income before interest income and expense, income taxes,<br>general corporate expenses and loss on translation and exchange | \$ 69,914            | \$ 31,145                     | \$ 9,642                             | \$ 3,663          |              | \$114,364    |
| Interest expense:                                                                                                                     |                      |                               |                                      |                   |              |              |
| Intercompany.....                                                                                                                     |                      | (7,226)                       |                                      |                   | \$7,226      |              |
| Other.....                                                                                                                            | (1,196)              | (364)                         | (99)                                 | (97)              |              | (1,756)      |
| Interest income.....                                                                                                                  | 2,420                | 16                            | 48                                   | 163               |              | 2,647        |
| Earnings before income taxes, general corporate expenses and loss<br>on translation and exchange.....                                 | \$ 71,138            | \$ 23,571                     | \$ 9,591                             | \$ 3,729          | \$7,226      | 115,255      |
| General corporate expenses, net.....                                                                                                  |                      |                               |                                      |                   |              | (17,913)     |
| Loss on translation and exchange.....                                                                                                 |                      |                               |                                      |                   |              | (1,627)      |
| Earnings before income taxes.....                                                                                                     |                      |                               |                                      |                   |              | \$ 95,715    |
| Identifiable assets.....                                                                                                              | \$204,910            | \$178,505                     | \$68,299                             | \$35,630          |              | \$487,344    |
| Corporate assets.....                                                                                                                 |                      |                               |                                      |                   |              | 37,329       |
|                                                                                                                                       |                      |                               |                                      |                   |              | \$524,673    |
| Depreciation expense.....                                                                                                             | \$ 15,298            | \$ 2,403                      | \$ 2,494                             | \$ 2,984          |              | \$ 23,179    |
| Corporate depreciation expense.....                                                                                                   |                      |                               |                                      |                   |              | 726          |
|                                                                                                                                       |                      |                               |                                      |                   |              | \$ 23,905    |
| Capital expenditures.....                                                                                                             | \$ 30,731            | \$ 5,431                      | \$ 2,790                             | \$10,995          |              | \$ 49,947    |
| Corporate capital expenditures.....                                                                                                   |                      |                               |                                      |                   |              | 8,628        |
|                                                                                                                                       |                      |                               |                                      |                   |              | \$ 58,575    |



NOTE 7 (continued)

**FISCAL YEAR ENDED AUGUST 31, 1982**  
(Thousands of dollars)

|                                                                                                                                          | Research<br>Services | Clearing<br>House<br>Services | Petroleum<br>Information<br>Services | Other<br>Services | Elimi-<br>nations | Consoli-<br>dated |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------|--------------------------------------|-------------------|-------------------|-------------------|
| Sales of services .....                                                                                                                  | \$426,109            | \$ 82,228                     | \$89,676                             | \$45,813          |                   | \$643,826         |
| Operating income before interest income and expense, income taxes, general corporate expenses and loss on translation and exchange ..... | \$ 59,960            | \$ 22,978                     | \$14,972                             | \$ 4,139          |                   | \$102,049         |
| Interest expense:                                                                                                                        |                      |                               |                                      |                   |                   |                   |
| Intercompany .....                                                                                                                       |                      | (7,911)                       |                                      |                   | \$7,911           | (3,254)           |
| Other .....                                                                                                                              | (2,714)              | (392)                         | (141)                                | (7)               |                   | 2,882             |
| Interest income .....                                                                                                                    | 2,454                | 136                           | 82                                   | 210               |                   |                   |
| Earnings before income taxes, general corporate expenses and loss on translation and exchange .....                                      | \$ 59,700            | \$ 14,811                     | \$14,913                             | \$ 4,342          | \$7,911           | 101,677           |
| General corporate expenses, net .....                                                                                                    |                      |                               |                                      |                   |                   | (14,227)          |
| Loss on translation and exchange .....                                                                                                   |                      |                               |                                      |                   |                   | (1,165)           |
| Earnings before income taxes .....                                                                                                       |                      |                               |                                      |                   |                   | \$ 86,285         |
| Identifiable assets .....                                                                                                                | \$181,329            | \$124,717                     | \$61,622                             | \$24,716          |                   | \$392,384         |
| Corporate assets .....                                                                                                                   |                      |                               |                                      |                   |                   | 49,169            |
|                                                                                                                                          |                      |                               |                                      |                   |                   | \$441,553         |
| Depreciation expense .....                                                                                                               | \$ 13,222            | \$ 1,543                      | \$ 2,195                             | \$ 2,052          |                   | \$ 19,012         |
| Corporate depreciation expense .....                                                                                                     |                      |                               |                                      |                   |                   | 866               |
|                                                                                                                                          |                      |                               |                                      |                   |                   | \$ 19,878         |
| Capital expenditures .....                                                                                                               | \$ 25,497            | \$ 6,863                      | \$ 8,332                             | \$ 1,591          |                   | \$ 42,283         |
| Corporate capital expenditures .....                                                                                                     |                      |                               |                                      |                   |                   | 6,439             |
|                                                                                                                                          |                      |                               |                                      |                   |                   | \$ 48,722         |

**FISCAL YEAR ENDED AUGUST 31, 1981**  
(Thousands of dollars)

|                                                                                                                                          | Research<br>Services | Clearing<br>House<br>Services | Petroleum<br>Information<br>Services | Other<br>Services | Elimi-<br>nations | Consoli-<br>dated |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------|--------------------------------------|-------------------|-------------------|-------------------|
| Sales of services .....                                                                                                                  | \$400,400            | \$ 68,101                     | \$71,693                             | \$38,482          |                   | \$578,676         |
| Operating income before interest income and expense, income taxes, general corporate expenses and loss on translation and exchange ..... | \$ 56,738            | \$ 16,729                     | \$15,347                             | \$ 2,657          |                   | \$ 91,471         |
| Interest expense:                                                                                                                        |                      |                               |                                      |                   |                   |                   |
| Intercompany .....                                                                                                                       |                      | (12,824)                      |                                      |                   | \$12,824          | (1,441)           |
| Other .....                                                                                                                              | (1,037)              | (301)                         | (54)                                 | (49)              |                   | 2,932             |
| Interest income .....                                                                                                                    | 2,508                | 63                            | 193                                  | 168               |                   |                   |
| Earnings before income taxes, general corporate expenses and loss on translation and exchange .....                                      | \$ 58,209            | \$ 3,667                      | \$15,486                             | \$ 2,776          | \$12,824          | 92,962            |
| General corporate expenses, net .....                                                                                                    |                      |                               |                                      |                   |                   | (14,492)          |
| Loss on translation and exchange .....                                                                                                   |                      |                               |                                      |                   |                   | (5,558)           |
| Earnings before income taxes .....                                                                                                       |                      |                               |                                      |                   |                   | \$ 72,912         |
| Identifiable assets .....                                                                                                                | \$169,409            | \$130,090                     | \$49,692                             | \$20,751          |                   | \$369,942         |
| Corporate assets .....                                                                                                                   |                      |                               |                                      |                   |                   | 33,324            |
|                                                                                                                                          |                      |                               |                                      |                   |                   | \$403,266         |
| Depreciation expense .....                                                                                                               | \$ 11,196            | \$ 1,215                      | \$ 1,172                             | \$ 1,979          |                   | \$ 15,562         |
| Corporate depreciation expense .....                                                                                                     |                      |                               |                                      |                   |                   | 689               |
|                                                                                                                                          |                      |                               |                                      |                   |                   | \$ 16,251         |
| Capital expenditures .....                                                                                                               | \$ 24,969            | \$ 2,806                      | \$12,529                             | \$ 3,744          |                   | \$ 44,048         |
| Corporate capital expenditures .....                                                                                                     |                      |                               |                                      |                   |                   | 2,690             |
|                                                                                                                                          |                      |                               |                                      |                   |                   | \$ 46,738         |



**NOTE 8****GEOGRAPHICAL  
SUMMARY  
OF  
OPERATIONS  
AND  
ASSETS**

|                                    | GEOGRAPHICAL AREAS<br>(Thousands of dollars) |           |                               |          |           |
|------------------------------------|----------------------------------------------|-----------|-------------------------------|----------|-----------|
|                                    | United<br>States                             | Europe    | Canada, Mexico,<br>S. America | Other    | Worldwide |
| <b>1983</b>                        |                                              |           |                               |          |           |
| Sales of services .....            | \$440,890                                    | \$155,156 | \$53,928                      | \$30,288 | \$680,262 |
| Earnings before income taxes ..... | \$ 78,670                                    | \$ 10,195 | \$ 5,320                      | \$ 1,530 | \$ 95,715 |
| Identifiable assets .....          | \$388,977                                    | \$ 78,346 | \$37,183                      | \$20,167 | \$524,673 |
| <b>1982</b>                        |                                              |           |                               |          |           |
| Sales of services .....            | \$408,768                                    | \$151,392 | \$54,302                      | \$29,364 | \$643,826 |
| Earnings before income taxes ..... | \$ 69,504                                    | \$ 8,671  | \$ 6,920                      | \$ 1,190 | \$ 86,285 |
| Identifiable assets .....          | \$308,819                                    | \$ 78,630 | \$37,095                      | \$17,009 | \$441,553 |
| <b>1981</b>                        |                                              |           |                               |          |           |
| Sales of services .....            | \$343,087                                    | \$156,867 | \$49,947                      | \$28,775 | \$578,676 |
| Earnings before income taxes ..... | \$ 54,666                                    | \$ 11,858 | \$ 5,904                      | \$ 484   | \$ 72,912 |
| Identifiable assets .....          | \$280,245                                    | \$ 72,708 | \$34,772                      | \$15,541 | \$403,266 |

Foreign subsidiaries remitted dividends and service fees to the United States aggregating \$7,624,000 in 1983, \$7,327,000 in 1982 and \$8,917,000 in 1981.

**NOTE 9****QUARTERLY  
RESULTS  
OF  
OPERATIONS  
(UNAUDITED)**

Quarterly results were as follows (in thousands except per share):

|                                                                | 1st<br>Quarter | 2nd<br>Quarter | 3rd<br>Quarter | 4th<br>Quarter | Total     |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------|
| <b>1983</b>                                                    |                |                |                |                |           |
| Sales of services .....                                        | \$161,529      | \$171,151      | \$171,775      | \$175,807      | \$680,262 |
| Earnings from operations .....                                 | 20,537         | 25,441         | 24,153         | 26,685         | 96,816    |
| Loss on foreign currency translation and exchange .....        | (114)          | (239)          | (294)          | (980)          | (1,627)   |
| Net income .....                                               | 9,938          | 12,470         | 11,571         | 15,470         | 49,449    |
| Earnings per share .....                                       | \$ .44         | \$ .55         | \$ .52         | \$ .69         | \$ 2.20   |
| <b>1982</b>                                                    |                |                |                |                |           |
| Sales of services .....                                        | \$151,666      | \$158,976      | \$164,356      | \$168,828      | \$643,826 |
| Earnings from operations .....                                 | 19,189         | 21,492         | 23,368         | 20,807         | 84,856    |
| Gain (loss) on foreign currency translation and exchange ..... | (326)          | (843)          | (528)          | 532            | (1,165)   |
| Net income .....                                               | 8,402          | 11,188         | 10,791         | 13,810         | 44,191    |
| Earnings per share .....                                       | \$ .37         | \$ .50         | \$ .48         | \$ .62         | \$ 1.97   |

See Notes 1 and 5 for information concerning accounting changes and per share data.



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**NOTE 10**

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**COMMITMENTS**

The Company has certain lease arrangements which relate primarily to the use of data processing equipment and rental of office facilities. Certain of these leases contain escalation clauses whereby rental payments may increase as a result of future increases in taxes or maintenance costs. Rent expense under all operating leases amounted to \$46,533,000 in 1983, \$41,014,000 in 1982 and \$33,202,000 in 1981. The amount of future sublease rental income is not significant.

Minimum rental commitments under leases having initial or remaining noncancellable terms in excess of one year at August 31, 1983 are:

|                                                             | <u>Net Operating<br/>Leases</u> | <u>Capital<br/>Leases</u> | <u>Total</u>         |
|-------------------------------------------------------------|---------------------------------|---------------------------|----------------------|
| 1984 .....                                                  | \$ 35,612,000                   | \$4,744,000               | \$ 40,356,000        |
| 1985 .....                                                  | 29,751,000                      | 2,690,000                 | 32,441,000           |
| 1986 .....                                                  | 27,003,000                      | 1,271,000                 | 28,274,000           |
| 1987 .....                                                  | 14,481,000                      | 609,000                   | 15,090,000           |
| 1988 .....                                                  | 10,213,000                      | 123,000                   | 10,336,000           |
| Thereafter.....                                             | <u>17,249,000</u>               | <u>—</u>                  | <u>17,249,000</u>    |
|                                                             | <u>\$134,309,000</u>            | <u>9,437,000</u>          | <u>\$143,746,000</u> |
| Less: Executory costs and future<br>interest payments ..... |                                 | <u>2,797,000</u>          |                      |
| Capital lease obligations .....                             |                                 | <u>\$6,640,000</u>        |                      |

Furniture and equipment in the accompanying balance sheet includes \$11,721,000 and \$11,223,000 of gross capital leases at August 31, 1983 and 1982 respectively. These amounts represent the present value of future rental payments at the inception of the leases. Long-term Debt includes \$3,269,000 and \$3,491,000 at August 31, 1983 and 1982, respectively, representing the noncurrent portion of the present value of future rental payments.

At August 31, 1983, the Company was committed to future expenditures of approximately \$18,688,000 for building construction and equipment.



**SUPPLEMENTAL  
INFORMATION  
OF  
THE  
EFFECTS  
OF  
INFLATION  
AND  
CHANGING  
PRICES  
(UNAUDITED)**

The Company's primary financial statements prepared in accordance with generally accepted accounting principles, are based upon historical costs. In accordance with the requirements of the Financial Accounting Standards Board, the following supplementary information is presented as an alternative to historical cost accounting. The information is provided as an additional measurement of financial activity, as it is generally recognized that financial statements prepared under the traditional historical cost basis do not adequately reflect the impact of inflation.

The information presented discloses the effect of inflation and specific price changes (current cost). General inflation (constant dollar) information is no longer required because the Company measures a substantial portion of its operations in functional currencies other than the U.S. dollar.

The current cost method adjusts historical costs for the specific effects of inflation upon certain resources of the Company. Current costs were determined using indices and direct pricing methods. Adjustments to current cash information for the effects of general inflation have been computed using the U.S. CPI(U). Development of such information involves the use of assumptions, estimates and subjective judgements and should not be viewed as precise measurements of the effects of inflation on the Company.

Current cost net income includes adjustments to the primary financial statements only for depreciation expense related to restated property and equipment. Revenues and all other expenses are considered to reflect average price levels for the year and have not been adjusted. The difference between 1983 net income as reported and current cost net income is the increase in depreciation which would arise if the expense was based on assets restated for the effects of inflation. The depreciation calculations used the same methods and useful life

assumptions as were used in the primary financial statements. Since this increase in depreciation expense is not an allowable deduction for tax purposes, no adjustment has been made to the provision for income taxes.

Monetary assets and liabilities represent amounts that will be converted into fixed amounts of currency regardless of future price changes. During periods of inflation, monetary assets lose purchasing power because such assets will buy fewer goods and services, while the reverse is true for monetary liabilities. As a result of the Company's net monetary asset position, the Company incurred a theoretical loss in purchasing power of \$3,234,000 in 1983.

The increase in the current cost of the Company's property and equipment held during fiscal 1983 and the related effects of inflation are as follows:

|                                                                                         | (Thousands<br>of dollars) |
|-----------------------------------------------------------------------------------------|---------------------------|
| Increase in current cost valuation of property and equipment held during the year ..... | \$8,240                   |
| Effect of increase in the general price level .....                                     | <u>(5,138)</u>            |
| Excess of increase in current costs over increase in the general price level .....      | <u>\$3,102</u>            |

It is management's view that the results of operations on a current cost basis are not necessarily indicative of the actual effects of inflation on the operations of the Company. Current costs do not necessarily reflect technological improvements and other efficiencies that usually result from replacing productive capacity. Current costs methods also assume that each existing asset would be replaced in kind, an assumption that might not hold true were the Company actually to replace its assets.



**INCOME FROM CONTINUING OPERATIONS ADJUSTED FOR CHANGING PRICES  
FOR THE YEAR ENDED AUGUST 31, 1983**  
(Thousands of dollars except per share)

|                                                        | <u>As Reported</u> | <u>Adjusted for<br/>Specific Prices<br/>(Current Cost)</u> |
|--------------------------------------------------------|--------------------|------------------------------------------------------------|
| Sales of services .....                                | \$680,262          | \$680,262                                                  |
| Operating, selling and administrative expenses .....   | 559,541            | 559,541                                                    |
| Depreciation expense .....                             | 23,905             | 26,910                                                     |
| Other income .....                                     | (1,101)            | (1,101)                                                    |
| Earnings before taxes .....                            | 95,715             | 92,710                                                     |
| Income taxes .....                                     | 46,266             | 46,266                                                     |
| Net income .....                                       | <u>\$ 49,449</u>   | <u>\$ 46,444</u>                                           |
| Per share .....                                        | <u>\$ 2.20</u>     | <u>\$ 2.07</u>                                             |
| Loss on net monetary assets held during the year ..... |                    | <u>\$ (3,234)</u>                                          |
| Translation adjustment .....                           |                    | <u>\$ (12,872)</u>                                         |

The current cost of property and equipment at August 31, 1983, net of accumulated depreciation, was \$213,890,000.

**FIVE-YEAR COMPARISON OF SELECTED SUPPLEMENTARY FINANCIAL DATA ADJUSTED FOR CHANGING PRICES**

| (in average 1983 dollars)                        | <u>1983</u>                             | <u>1982</u> | <u>1981</u> | <u>1980</u> | <u>1979</u> |
|--------------------------------------------------|-----------------------------------------|-------------|-------------|-------------|-------------|
|                                                  | (Thousands of dollars except per share) |             |             |             |             |
| Sales                                            |                                         |             |             |             |             |
| As reported .....                                | \$ 680,262                              | \$ 643,826  | \$ 578,676  | \$ 493,116  | \$ 398,106  |
| In constant dollars .....                        | 680,262                                 | 667,563     | 647,529     | 613,642     | 562,491     |
| Net income                                       |                                         |             |             |             |             |
| As reported .....                                | \$ 49,449                               | \$ 44,191   | \$ 35,999   | —           | —           |
| Current cost .....                               | 46,444                                  | 40,673      | 38,124      | —           | —           |
| Net income per share                             |                                         |             |             |             |             |
| As reported .....                                | \$ 2.20                                 | \$ 1.97     | \$ 1.60     | —           | —           |
| Current cost .....                               | 2.07                                    | 1.81        | 1.70        | —           | —           |
| Dividends per common share                       |                                         |             |             |             |             |
| As reported .....                                | \$ .65                                  | \$ .54      | \$ .49      | \$ .43      | \$ .38      |
| In constant dollars .....                        | .65                                     | .56         | .55         | .54         | .54         |
| Market price per common share at year end        |                                         |             |             |             |             |
| Class A                                          |                                         |             |             |             |             |
| As reported .....                                | 31%                                     | 26½         | 18½         | 16½         | 12%         |
| In constant dollars .....                        | 31%                                     | 26%         | 19%         | 19          | 16½         |
| Class B                                          |                                         |             |             |             |             |
| As reported .....                                | 31%                                     | 25½         | 18½         | 16          | 12%         |
| In constant dollars .....                        | 31%                                     | 25%         | 19%         | 19          | 16½         |
| Loss on net monetary assets held during the year | \$ (3,234)                              | \$ (6,214)  | \$ (12,587) | —           | —           |
| Cumulative translation adjustment .....          | \$ (7,965)                              | —           | —           | —           | —           |
| Net assets at year end                           |                                         |             |             |             |             |
| As reported .....                                | \$ 251,844                              | \$ 223,356  | \$ 194,506  | —           | —           |
| Current cost .....                               | 293,967                                 | 260,527     | 260,165     | —           | —           |
| Net assets per share at year end                 |                                         |             |             |             |             |
| As reported .....                                | \$ 11.22                                | \$ 9.95     | \$ 8.66     | —           | —           |
| Current cost .....                               | 13.09                                   | 11.60       | 11.59       | —           | —           |
| Consumer price index, average for year .....     | 295.3                                   | 284.8       | 263.9       | 237.3       | 209.0       |



**SUMMARY OF OPERATIONS**  
**Condensed Consolidated Statements of Income**

|                                                                | For the year ended August 31, |           |           |           |           |
|----------------------------------------------------------------|-------------------------------|-----------|-----------|-----------|-----------|
|                                                                | 1983                          | 1982      | 1981      | 1980      | 1979      |
|                                                                | (Thousands of dollars)        |           |           |           |           |
| Sales of services .....                                        | \$680,262                     | \$643,826 | \$578,676 | \$493,116 | \$398,106 |
| Operating expenses .....                                       | 583,446                       | 558,970   | 499,305   | 435,795   | 351,218   |
| Earnings from operations .....                                 | 96,816                        | 84,856    | 79,371    | 57,321    | 46,888    |
| Miscellaneous income (expense):                                |                               |           |           |           |           |
| Interest expense .....                                         | (3,203)                       | (4,154)   | (4,981)   | (3,127)   | (1,033)   |
| Interest income .....                                          | 3,729                         | 5,104     | 4,080     | 3,115     | 3,075     |
| Gain (loss) on foreign currency translation and exchange ..... | (1,627)                       | (1,165)   | (5,558)   | 369       | 917       |
| Gain on sale of building .....                                 | —                             | 1,644     | —         | —         | —         |
|                                                                | (1,101)                       | 1,429     | (6,459)   | 357       | 2,959     |
| Earnings before taxes on income                                | 95,715                        | 86,285    | 72,912    | 57,678    | 49,847    |
| Federal, state and foreign taxes on income:                    |                               |           |           |           |           |
| Currently payable .....                                        | 41,142                        | 30,619    | 32,011    | 27,330    | 24,931    |
| Tax effects of timing differences                              | 5,124                         | 11,475    | 4,902     | 1,463     | (1,215)   |
|                                                                | 46,266                        | 42,094    | 36,913    | 28,793    | 23,716    |
| Net income applicable to common stock .....                    | \$ 49,449                     | \$ 44,191 | \$ 35,999 | \$ 28,885 | \$ 26,131 |
| Average common shares outstanding (in thousands) .....         | 22,452                        | 22,452    | 22,452    | 22,452    | 22,002    |
| Earnings per share of common stock                             | \$ 2.20                       | \$ 1.97   | \$ 1.60   | \$ 1.29   | \$ 1.19   |
| Cash dividends paid per share of common stock .....            | \$ .65                        | \$ .54    | \$ .49    | \$ .43    | \$ .38    |

**DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**RESULTS OF OPERATIONS**

In fiscal 1983, the Company recorded its 50th consecutive year of sales increases. Worldwide sales increased by 5.7%, 11.3% and 17.4% in fiscal 1983, 1982 and 1981, respectively. Increases in sales for the last three years by business segment are as follows:

|                                      | Increase in Sales Over Prior Year |          |          |
|--------------------------------------|-----------------------------------|----------|----------|
|                                      | (Thousands of dollars)            |          |          |
|                                      | 1983                              | 1982     | 1981     |
| Research Services .....              | \$31,300                          | \$25,700 | \$52,400 |
| Clearing House Services ....         | 8,400                             | 14,100   | 13,500   |
| Petroleum Information Services ..... | (9,500)                           | 18,000   | 20,600   |
| Other Services .....                 | 6,300                             | 7,300    | 5,700    |

Over the past three years, each of the Company's business segments, with the exception of Petroleum Information Services in fiscal 1983, has achieved real sales growth in addition to revenue increases from higher prices. One of the primary reasons for the decline in the nominal rate of revenue increases has been a slowdown in the general rate of inflation in many of the countries in which the Company does business, particularly in the U.S. Many client contracts for continuing services contain escalation clauses tied to changes in the general rate of inflation. For the past three years, U.S. dollar sales of foreign operations have been adversely affected by a sharp strengthening of the dollar against most currencies of those countries in which the Company does business. This effect is most pronounced for the Research Services Group, which has substantial operations located outside the United States. The level of business activity for Petroleum Information



Services declined in 1983 due to a decline in domestic drilling activity from the prior year's record level. For additional information concerning changes in certain revenue deferral procedures see Note 1 to the Consolidated Financial Statements.

Worldwide operating, selling and administrative expenses increased 4.4% in 1983, 11.9% in 1982 and 14.6% in 1981. These higher costs are generally consistent with the increases in sales, and principally represent increased costs to support higher volumes as well as the rising cost of wages, services and supplies.

In fiscal 1983, the Company adopted Statement of Financial Accounting Standards, No. 52, "Foreign Currency Translation." As a result of this change, the Company's pretax and net earnings were approximately \$1,200,000 higher than they would have been under the translation method applied in prior years. Prior years' data were not restated because the Company might have used alternative financing methods had FAS 52 been in effect during those periods. Translation losses incurred in 1983 were primarily due to transactions denominated in foreign currencies. During fiscal 1982 and 1981, the Company incurred losses on translation and exchange which were principally due to the results of translating foreign financial statements into U.S. dollars rather than any substantive change in the Company's strong monetary net asset position in foreign countries.

#### **INCOME TAXES**

See Note 6 to the Consolidated Financial Statements.

#### **INFLATION**

See Note 11 to the Consolidated Financial Statements.

#### **FINANCIAL CONDITION**

During the past three years, the Company has continued to achieve substantial growth in sales and earnings. Funds provided from operations are the Company's primary financial resource supporting this growth. These funds amounted to \$85.0 million in 1983, \$70.7 million in fiscal 1982 and \$61.2 million in 1981. The Company believes that it has substantial short- and long-term borrowing capabilities, as indicated by the Company's strong balance sheet, low debt to equity ratio, and long history of solid growth in earnings. Prior to 1982, temporary cash needs were generally financed through line-of-credit agreements with domestic banks. In 1982, the Company utilized commercial paper borrowings for the first time in its history. Having received an A-1+/P-1 rating from major rating agencies, the Company has been able to obtain financing through commercial paper borrowings at interest rates significantly lower than those available through traditional bank borrowings.

During the year, the Company continued to invest substantial amounts in office and production facilities, as well as state-of-the-art data processing equipment in order to increase the productivity and efficiency of its operations. Capital expenditures, excluding capital leases, were \$54.7 million in 1983, \$46.2 million in 1982 and \$45.6 million in 1981. These expenditures were principally financed by internally generated funds and, to a limited extent, industrial revenue bonds. Future capital expenditures and other cash requirements of the Company will continue to be financed primarily by funds generated internally.

See Note 3 to the Consolidated Financial Statements for additional information on financing arrangements and Note 10 for information on future capital expenditure commitments.



## HISTORICAL FINANCIAL SUMMARY

| Fiscal<br>Year<br>Ended<br>August 31 | Sales of<br>Services<br>(000) | Net Earnings After Taxes |                       | Dividends Paid on<br>Common Stock |                       | Stockholders' Equity           |                                                |
|--------------------------------------|-------------------------------|--------------------------|-----------------------|-----------------------------------|-----------------------|--------------------------------|------------------------------------------------|
|                                      |                               | Amount<br>(000)          | Per Common<br>Share * | Amount<br>(000)                   | Per Common<br>Share * | Consolidated<br>Total<br>(000) | Per Common Share<br>Outstanding<br>August 31 * |
| 1974                                 | \$167,487                     | \$10,970                 | \$ .52                | \$ 3,285                          | \$.155                | \$ 77,458                      | \$ 3.65                                        |
| 1975                                 | 201,717                       | 13,205                   | .62                   | 3,709                             | .175                  | 86,952                         | 4.10                                           |
| 1976                                 | 231,653                       | 17,148                   | .81                   | 4,451                             | .21                   | 99,648                         | 4.70                                           |
| 1977                                 | 269,483                       | 20,206                   | .93                   | 5,391                             | .25                   | 115,049                        | 5.31                                           |
| 1978                                 | 323,831                       | 24,297                   | 1.11                  | 7,149                             | .33                   | 132,584                        | 6.04                                           |
| 1979                                 | 398,106                       | 26,131                   | 1.19                  | 8,354                             | .38                   | 150,670                        | 6.85                                           |
| 1980                                 | 493,116                       | 28,885                   | 1.29                  | 9,510                             | .43                   | 169,508                        | 7.55                                           |
| 1981                                 | 578,676                       | 35,999                   | 1.60                  | 11,001                            | .49                   | 194,506                        | 8.66                                           |
| 1982                                 | 643,826                       | 44,191                   | 1.97                  | 12,124                            | .54                   | 223,356                        | 9.95                                           |
| 1983                                 | 680,262                       | 49,449                   | 2.20                  | 14,594                            | .65                   | 251,844                        | 11.22                                          |

## CONSOLIDATED SALES AND NET EARNINGS

|                       | 1983      |     | 1982      |     | 1981      |     | 1980      |     | 1979      |     |
|-----------------------|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|
|                       | (000)     | %   | (000)     | %   | (000)     | %   | (000)     | %   | (000)     | %   |
| Domestic Sales        | \$440,900 | 65  | \$408,800 | 63  | \$343,100 | 59  | \$283,500 | 57  | \$229,000 | 58  |
| Foreign Sales         | 239,400   | 35  | 235,000   | 37  | 235,600   | 41  | 209,600   | 43  | 169,100   | 42  |
| Worldwide             | \$680,300 | 100 | \$643,800 | 100 | \$578,700 | 100 | \$493,100 | 100 | \$398,100 | 100 |
| Domestic Net Earnings | \$ 44,512 | 90  | \$ 38,706 | 88  | \$ 29,932 | 83  | \$ 21,639 | 75  | \$ 17,322 | 66  |
| Foreign Net Earnings  | 4,937     | 10  | 5,485     | 12  | 6,067     | 17  | 7,246     | 25  | 8,809     | 34  |
| Worldwide             | \$ 49,449 | 100 | \$ 44,191 | 100 | \$ 35,999 | 100 | \$ 28,885 | 100 | \$ 26,131 | 100 |

## CONSOLIDATED SALES—BY BUSINESS SEGMENT

|                                | 1983      |       | 1982      |       | 1981      |       | 1980      |       | 1979      |       |
|--------------------------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
|                                | (000)     | %     | (000)     | %     | (000)     | %     | (000)     | %     | (000)     | %     |
| Research Services              |           |       |           |       |           |       |           |       |           |       |
| Marketing Research             | \$363,400 | 53.4  | \$346,300 | 53.8  | \$337,700 | 58.4  | \$300,300 | 60.9  | \$246,000 | 61.8  |
| Media Research                 | 94,000    | 13.8  | 79,800    | 12.4  | 62,700    | 10.8  | 47,700    | 9.7   | 40,000    | 10.0  |
| Clearing House Services        | 90,600    | 13.3  | 82,200    | 12.8  | 68,100    | 11.8  | 54,600    | 11.1  | 43,500    | 10.9  |
| Petroleum Information Services | 80,200    | 11.8  | 89,700    | 13.9  | 71,700    | 12.4  | 51,100    | 10.3  | 37,300    | 9.4   |
| Other Services                 | 52,100    | 7.7   | 45,800    | 7.1   | 38,500    | 6.6   | 39,400    | 8.0   | 31,300    | 7.9   |
| Total                          | \$680,300 | 100.0 | \$643,800 | 100.0 | \$578,700 | 100.0 | \$493,100 | 100.0 | \$398,100 | 100.0 |

\* Earnings, Dividends and Equity per common share are based on the average number of shares of common stock outstanding after adjustment in 1983 to retroactively reflect the two-for-one stock split paid through a stock distribution in February 1983.



## Stock Prices

The Company's common stock is traded Over-The-Counter. At October 31, 1983 there were approximately 2,600 and 1,300 shareholders of Class A and Class B Common Stock, respectively. Market price information reflects high and low bid prices through the 3rd Quarter of 1983 as reported by NASDAQ. The 4th Quarter of 1983 shows closing prices listed in NASD National Market System. Cash dividends paid for each quarterly period during the two years ended August 31, 1983 appear at right. Dividend and market price information, as appropriate, has been restated to reflect the two-for-one stock split paid through a stock distribution in February 1983.

|             | Fiscal 1983 |        |        |        | Fiscal 1982 |        |        |        | Cash Dividends Per Share |        |
|-------------|-------------|--------|--------|--------|-------------|--------|--------|--------|--------------------------|--------|
|             | A           |        | B      |        | A           |        | B      |        | 1983                     | 1982   |
|             | Highs       | Lows   | Highs  | Lows   | Highs       | Lows   | Highs  | Lows   |                          |        |
| 1st Quarter | 32-3/8      | 26-3/4 | 31-3/4 | 25-3/4 | 24          | 17-7/8 | 23-1/2 | 18-1/8 | \$ .155                  | \$ .13 |
| 2nd Quarter | 39          | 32-3/4 | 38-1/2 | 32-7/8 | 24-1/8      | 20-1/2 | 23-7/8 | 20-3/4 | .155                     | .13    |
| 3rd Quarter | 37-1/2      | 32-1/4 | 37-1/2 | 32-3/4 | 25-1/8      | 20-3/4 | 25     | 20-3/4 | .17                      | .14    |
| 4th Quarter | 39-1/4      | 31-1/2 | 39     | 31-1/4 | 27-1/8      | 22-5/8 | 26-1/4 | 22-5/8 | .17                      | .14    |

## Corporate Officers

Arthur C. Nielsen, Jr.  
Chairman of the Board, Chief  
Executive Officer and Chairman  
of the Executive Committee

N. Eugene Harden  
President and Chief  
Operating Officer

Kurt J. Burghardt  
Executive Vice President

Henry Burk  
Executive Vice President

James D. Lyons  
Executive Vice President

Donald R. McCurry  
Executive Vice President

Robert B. Moran  
Executive Vice President

William N. Fleischman  
Administrative Vice President

Philip R. Nielsen  
Vice President Corporate  
Planning and Development

Jack A. Wennerstrom  
Vice President, Treasurer and  
Chief Financial Officer

Jeremy C. Beman  
Vice President,  
Corporate Communications

Emanuele De Natale  
Vice President, Director Area VII  
(Southern Europe)

Victor H. Field  
Vice President, Personnel

Patrick A. Newton  
Vice President, General Manager  
Japan Branch

Lewis B. Walton, Jr.  
Vice President, Corporate Architect

Robert P. Yeomans  
Vice President and General Counsel

Bryan H. Mitchell  
Controller

Mary A. Dresdow  
Secretary

James W. Carter, Jr.  
Assistant General Counsel  
and Assistant Secretary

Jerome N. Clauser  
Assistant Treasurer

Leo F. Korman  
Assistant Controller

Directors  
See Page 4

## Area Directors

T. Breitenmoser  
Emanuele De Natale  
Richard W. Vipond  
Donald R. McCurry  
M.H. Smyth  
Walter Speidel

Sidley & Austin  
Chicago Counsel

Gilbert, Segall & Young  
New York Counsel

Harris Trust & Savings Bank — Chicago  
Stock Transfer Agent and Registrar

Price Waterhouse  
Independent Accountants

A copy of the Company's annual report (Form 10K) to the Securities and Exchange Commission for the fiscal year ended August 31, 1983 is available on written request to the Corporate Secretary, A.C. Nielsen Company, Nielsen Plaza, Northbrook, Illinois 60062.



## Directory of Offices Serving the United States

| OFFICE                          | ADDRESS                                                                     | TELEPHONE                                                  | TELEX                 |
|---------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------|-----------------------|
| INTERNATIONAL HEADQUARTERS:     | Nielsen Plaza, Northbrook, Illinois 60062                                   | (312) 498-6300                                             | 206466                |
| CLIENT SERVICE OFFICES:         |                                                                             |                                                            |                       |
| Atlanta <sup>1,2</sup>          | 301 Perimeter Center North, Atlanta, Georgia 30346                          | (404) 393-1010                                             | 810-757-4211          |
| Boston <sup>1</sup>             | 40 William Street, Wellesley, Massachusetts 02181                           | (617) 237-6100                                             |                       |
| Cherry Hill <sup>1,3</sup>      | Barclay Pavilion, Route 70, Cherry Hill, New Jersey 08034                   | (609) 795-5454                                             |                       |
| Chicago <sup>2</sup>            | 410 North Michigan Avenue, Chicago, Illinois 60611                          | (312) 828-1170                                             | 910-221-5367          |
| Dallas <sup>5</sup>             | Suite 600, Executive Plaza, 1575 West Mockingbird Lane, Dallas, Texas 75235 | (214) 630-3645                                             |                       |
| Dallas <sup>1,2</sup>           | Suite 350, 333 W. Campbell Road, Richardson, Texas 75080                    | (214) 669-1900 <sup>1</sup><br>(214) 669-1700 <sup>2</sup> | 910-867-4817          |
| Ft. Mitchell <sup>1</sup>       | 211 Grandview Drive, Ft. Mitchell, Kentucky 41017                           | (606) 331-7800                                             |                       |
| Hackensack <sup>1</sup>         | Continental Plaza, 401 Hackensack Ave., Hackensack, New Jersey 07601        | (201) 343-3600                                             |                       |
| Houston <sup>5</sup>            | Westheimer Oaks Office Park, 4150 Westheimer, Houston, Texas 77027          | (713) 961-5660                                             |                       |
| Los Angeles <sup>2,3</sup>      | 6290 Sunset Blvd., Los Angeles, California 90028                            | (213) 466-4391                                             | 910-321-4064          |
| Menlo Park <sup>1,2,3</sup>     | 70 Willow Road, Menlo Park, California 94025                                | (415) 321-7700                                             | Menlo<br>910-373-1725 |
| New York <sup>1,2,4</sup>       | 1290 Avenue of the Americas, New York, New York 10104                       | (212) 708-7500                                             | 710-581-5882          |
| New York <sup>3</sup>           | Suite 2510, One Penn Plaza, New York, New York 10119                        | (212) 868-8830                                             |                       |
| Northbrook <sup>1,2,3</sup>     | Nielsen Plaza, Northbrook, Illinois 60062                                   | (312) 498-6300                                             | 910-686-0001          |
| Oklahoma City <sup>5</sup>      | LakePointe Towers East, 4005 N.W. Expressway, Oklahoma City, Oklahoma 73116 | (405) 848-9824                                             |                       |
| Westport <sup>1</sup>           | Carriage Hill North, 1221 Post Road East, Westport, Connecticut 06880       | (203) 226-6851                                             |                       |
| NEODATA SERVICES:               | 1255 Portland Place, Boulder, Colorado 80302                                | (303) 442-4282                                             | 910-940-3240          |
| NIELSEN CLEARING HOUSE:         | 1900 North 3rd Street, Clinton, Iowa 52732                                  | (319) 242-4505                                             | 910-525-1111          |
| PETROLEUM INFORMATION CORP.:    | 4100 E. Dry Creek Road, Littleton, Colorado 80122                           | (303) 740-7100                                             | 45-0244               |
| COMPUMARK:                      | 335 Bishop Hollow Road, Newtown Square, Pennsylvania 19073                  | (215) 353-7400                                             | 834-227               |
| COORDINATED MANAGEMENT SYSTEMS: | 8401 Wayzata Blvd., Minneapolis, Minnesota 55426                            | (612) 546-0600                                             |                       |
| DATAQUEST INCORPORATED:         | 1290 Ridder Park Drive, San Jose, California 95131                          | (408) 971-9000                                             | 171973                |
| COMPUCON:                       | 251 West Renner Road, Richardson, Texas 75080                               | (214) 680-1000                                             |                       |

U.S. PRODUCTION OFFICES: Boulder & Denver, CO; Dunedin, St. Petersburg, Sarasota & Venice, FL; Clinton & Mason City, IA; Lincoln, NE; Englewood Cliffs, NJ; Dallas, El Paso, Houston, Laredo, Midland & San Antonio, TX; Fond du Lac & Green Bay, WI.



## Directory of Nielsen Companies Serving Abroad

| COUNTRY       |                                                                                                                                    | MANAGING DIRECTOR/<br>GENERAL MANAGER | ADDRESS                                                                                                                                                                                                                                                                                              | TELEPHONE                                                                              | TELEX                           |
|---------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------|
| ARGENTINA     | A.C. Nielsen Argentina, S.A. <sup>1</sup>                                                                                          | C.R. Oller                            | Rivadavia 620 - 3er Piso — 1002 Buenos Aires, Argentina                                                                                                                                                                                                                                              | 1-33-0078<br>1-33-0079<br>1-30-9970                                                    | 17290                           |
| AUSTRALIA     | A.C. Nielsen Pty. Ltd. <sup>1</sup><br>P.I. Energy Services Pty., Limited <sup>5</sup>                                             | A.J. Kretch                           | 50 Miller Street, North Sydney, N.S.W., Australia<br>Postal Address: P.O. Box 457, North Sydney, N.S.W., Australia 2060<br>Room 1703, 111 Elizabeth St., Sydney N.S.W., Australia 2000                                                                                                               | 2-920-5881<br>2-232-3222                                                               | 21763<br>Mamarks<br>AA27928     |
| AUSTRIA       | A.C. Nielsen Company, Ges.m.b.H. <sup>1</sup>                                                                                      | D. Jauschowitz                        | Concordiaplatz A-2, 1013 Vienna 1, Austria                                                                                                                                                                                                                                                           | 222-63 67 97                                                                           | 114469                          |
| BELGIUM       | A.C. Nielsen Company (Belgium) S.A. <sup>1,2</sup>                                                                                 | J. De Groote                          | Avenue des Arts, 56, B-1040 Brussels, Belgium                                                                                                                                                                                                                                                        | 2-511-22 96                                                                            | 21794                           |
| BRAZIL        | A.C. Nielsen Limitada <sup>1</sup>                                                                                                 | L. Jancsó                             | Office Address: Ave. Bernardino de Campos, 98, 14° Andar (Paraiso)<br>P.O. Box 178, CEP 01000, Sao Paulo SP, Brazil                                                                                                                                                                                  | 11-284-82 60                                                                           | 1122306                         |
| CANADA        | A.C. Nielsen Company of Canada Limited <sup>1,2,3</sup><br>Petroleum Information Exchange <sup>5</sup>                             | R.W. Vipond<br>J. Thomson             | 160 McNabb Street, Markham, Ontario, Canada L3R 4B8<br>100 Alexis Nihon Blvd., Suite 280, St. Laurent, P.Q. H4M 2N7<br>6011 Westminster Highway, Suite 211, Richmond, B.C. V7C 4V4<br>661 Millidge Avenue, Saint John, New Brunswick E2L 4A5<br>925 7th Ave., S.W., Calgary, Alberta, Canada T1P 1A5 | (416) 475-3344<br>(514) 744-5515<br>(604) 270-7444<br>(506) 642-3314<br>(403) 263-3822 | 06966688<br>01447337<br>0582677 |
| COLOMBIA      | A.C. Nielsen de Colombia S.A. <sup>1,2</sup>                                                                                       | A. Buscaglia                          | Calle 80 NR. 5-81, Bogotá-Zona Postal 2 - Colombia                                                                                                                                                                                                                                                   | 211 91 00<br>211 88 75<br>211 88 82<br>211 97 11<br>211 85 85                          | 45125 *                         |
| FRANCE        | A.C. Nielsen Company (French Branch) <sup>1,3</sup><br>Neodata France <sup>4</sup>                                                 | C. Charbit                            | 28 Boulevard de Grenelle, 75737 Paris Cedex 15 France<br>31 Cours des Juilliottes, 94703 Maisons-Alfort, France                                                                                                                                                                                      | 1-578-6120<br>1-375-9660                                                               | 270868<br>201742                |
| GERMANY       | A.C. Nielsen Company, G.m.b.H. <sup>1</sup><br>Neodata Services G.m.b.H. <sup>4</sup>                                              | H. Ruppe/W. Speidel                   | Friedrich-Ebert-Anlage 2-14, P.O. Box 16580, 6000 Frankfurt AM Main,<br>West Germany<br>Heidenkampsweg 74, 2000 Hamburg 1, West Germany                                                                                                                                                              | 611-74 08 21<br>40-234191                                                              | 412031<br>2164748               |
| GREAT BRITAIN | A.C. Nielsen Company Limited <sup>1</sup><br>Petroleum Information Limited:<br>Offshore Petroleum Exploration Service <sup>5</sup> | M.H. Smyth                            | Nielsen House, Headington, Oxford OX3 9RX, England<br>Green Dragon House, 64/70 High Street Croydon, Surrey, CRO 9XN England                                                                                                                                                                         | 865-64851<br>11-441-680-7031                                                           | 83136<br>946309<br>OPESG        |
| GREECE        | A.C. Nielsen Hellas Ltd. <sup>1</sup>                                                                                              | R. Kessiakoff                         | 2 Charokopou Str./196 Sygrou Ave., Kallithea, Athens, Greece                                                                                                                                                                                                                                         | 1-958-8142<br>1-958-8771/4                                                             | 219098                          |
| IRELAND       | A.C. Nielsen of Ireland Limited <sup>1</sup><br>Neodata Services Limited <sup>4</sup>                                              | A.M. Saunders                         | 36 Merrion Square, Dublin 2, Republic of Ireland<br>Bank House Building, Lower Cecil St., Limerick, Ireland                                                                                                                                                                                          | 1-765112<br>61-49766                                                                   | 25321<br>26979                  |
| ITALY         | A.C. Nielsen Company (Italian Branch) <sup>1,2,3</sup>                                                                             | A. Pucciani                           | Via Dante 7, 20123 Milan, Italy                                                                                                                                                                                                                                                                      | 2-85621                                                                                | 334059                          |
| JAPAN         | A.C. Nielsen Company (Japan Branch) <sup>1,2</sup>                                                                                 | P.A. Newton                           | Nielsen Building, 1-1-71 Nakameguro, Meguro-ku, Tokyo 153, Japan<br>Higashi-Umeda Building, 9-6, Nozaki-cho, Kita-ku, Osaka 530, Japan                                                                                                                                                               | 3-710-6551<br>6-313-0781/4                                                             | 26511                           |

(Continued)

NOTES ON PAGES 40, 41 & 42: 1-Marketing Research Group; 2-Media Research Group; 3-Clearing House Group; 4-Neodata Services; 5-Petroleum Information Services

\*Please forward this telex to A.C. Nielsen de Colombia, S.A.



## Directory of Nielsen Companies Serving Abroad (continued)

| COUNTRY      |                                                         | MANAGING DIRECTOR/<br>GENERAL MANAGER | ADDRESS                                                                                                                              | TELEPHONE                        | TELEX     |
|--------------|---------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------|
| MEXICO       | A.C. Nielsen Company (Mexican Branch) <sup>1</sup>      | A. Traslosheros                       | Jose Luis LaGrange 103, Col. Chapultepec Morales, 11570 Mexico, D.F.<br>Postal Address: Apartado Postal M-2638, 06000 Mexico, D.F.   | (905) 395-0399                   | 001773104 |
| NETHERLANDS  | A.C. Nielsen (Nederland) B.V. <sup>1</sup>              | R. Smit                               | Amsteldijk 166, 1079 LH, Amsterdam, The Netherlands<br>P.O. 7000 1007 MA, Amsterdam, The Netherlands                                 | 20-44 49 72                      | 12659     |
| NEW ZEALAND  | A.C. Nielsen (N.Z.) Limited <sup>1</sup>                | J.W. Scott                            | Molesworth House, Molesworth Street, Wellington 1, New Zealand<br>Postal Address: Box 2464, Wellington 1, New Zealand                | 4-735-736 and<br>4-735-737       | 3778      |
| NORWAY       | Norges Markedsdata A/S.                                 | A.B. Mevik                            | Drammensvejen 154, Postboks 1 — Skoyen, Oslo 2, Norway                                                                               | 2-55 42 70                       | 72560     |
| PORTUGAL     | A.C. Nielsen Company (Portuguese Branch) <sup>1</sup>   | J. Alves                              | Rua Rosa Araújo 34, 1600 Lisbon, Portugal                                                                                            | 19-554412                        | 12748     |
| SOUTH AFRICA | A.C. Nielsen Company (Proprietary) Limited <sup>1</sup> | M.G. Gorton                           | 5th Floor, Johannesburg Stock Exchange, Diagonal Street<br>Postal Address: P.O. Box 5637, Johannesburg 2000 Republic of South Africa | 11-833-7510/19<br>11-833-7540/41 | 88425     |
| SOUTH KOREA  | A.C. Nielsen Company (Korea Branch)                     | R.B. Norris                           | Namkyung Bldg., 10th Floor, 8-2, Samsung-dong, Kangnam-ku, Seoul,<br>Republic of Korea<br>Postal Address: Young Dong, P.O. Box 170   | 562-1181/4                       | K26168    |
| SPAIN        | A.C. Nielsen Company (Spanish Branch) <sup>1, 3</sup>   | M. Fuster                             | Luchana 23-5 and 6, P.O. Box 10149, Madrid 10, Spain                                                                                 | 1-447-37-62                      | 46278     |
| SWEDEN       | A.C. Nielsen Company AB <sup>1</sup>                    | L. Nilsson                            | Storholmogaten 11, 2nd Floor, Skärholmen, Sweden<br>Postal Address: P.O. Box 285, S-127 25 Skärholmen, Sweden                        | 8-740-5060                       | 11277     |
| SWITZERLAND  | A.C. Nielsen S.A. <sup>1</sup>                          | M. Müller                             | Nielsen House, Lucerne, Switzerland<br>Postal Address: Box 516, CH 6002, Lucerne, Switzerland                                        | 41-303333                        | 78240     |

## 1983 Nielsen Service Award Roster

Employees with 5 or more  
years of service\*

|             | Australasia<br>& Japan | Canada | European<br>Continent &<br>South Africa | United<br>Kingdom &<br>Ireland | Haiti<br>Mexico &<br>South America | Total<br>Abroad | United<br>States | GRAND<br>TOTAL |
|-------------|------------------------|--------|-----------------------------------------|--------------------------------|------------------------------------|-----------------|------------------|----------------|
| 35-49 years | 1                      | 2      |                                         | 12                             |                                    | 15              | 53               | 68             |
| 20-34 years | 81                     | 41     | 271                                     | 117                            | 20                                 | 530             | 567              | 1,097          |
| 5-19 years  | 248                    | 242    | 2,180                                   | 829                            | 1,838                              | 5,337           | 2,521            | 7,858          |
| TOTAL       | 330                    | 285    | 2,451                                   | 958                            | 1,858                              | 5,882           | 3,141            | 9,023          |

\*Includes A.C. Nielsen Company and subsidiaries.







